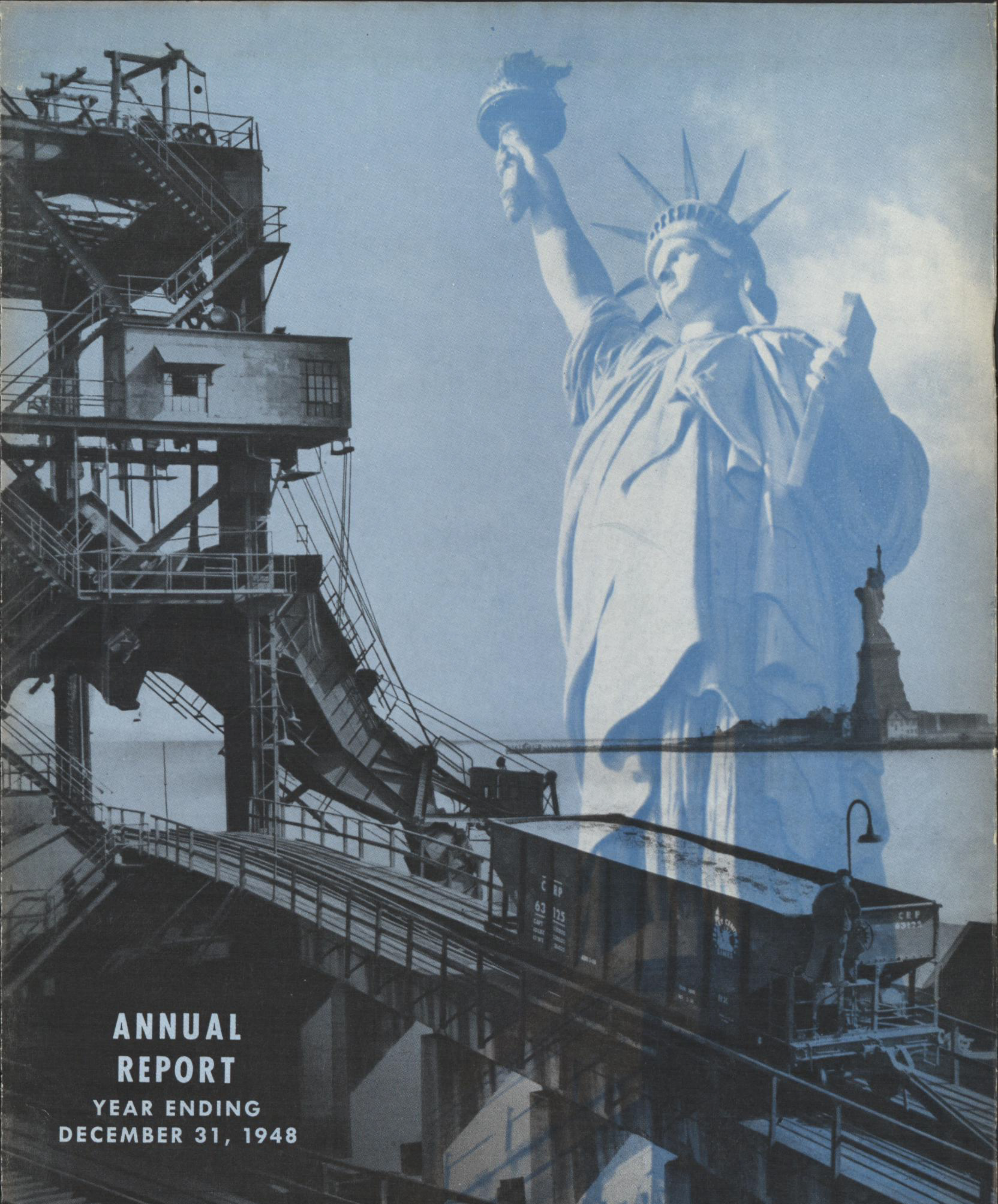

ANNUAL REPORT

YEAR ENDING
DECEMBER 31, 1948

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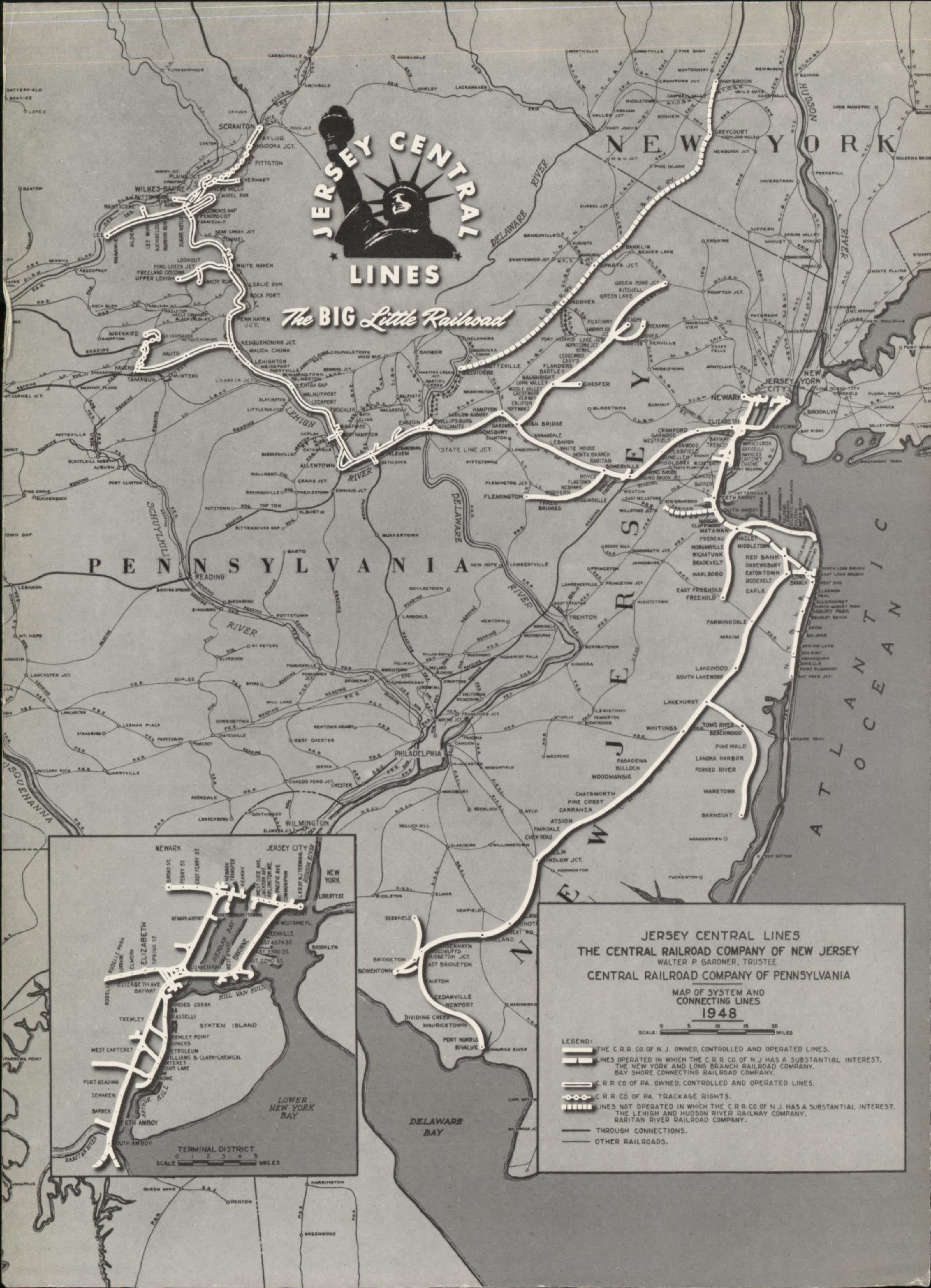
JERSEY CENTRAL LINES


JERSEY CENTRAL LINES
The BIG Little Railroad
NEW YORK
PENNSYLVANIA
NEW JERSEY
ATLANTIC OCEAN
DELAWARE BAY
HUDSON RIVER
DELAWARE RIVER
LEHIGH RIVER
SCHUYLKILL RIVER
SUSQUEHANNA
SCRANTON
WILKES-BARRE
JERSEY CITY
NEW YORK
NEWARK
ELIZABETH
PHILADELPHIA
TRENTON
READING
ALLENTOWN
EASTON
WILMINGTON
LAKEHURST
BRIDGETON
PORT NORRIS
BIVALVE
MAYBROOK
TERMINAL DISTRICT
SCALE 0 1 2 3 4 5 MILES
LOWER NEW YORK BAY
STATEN ISLAND
KILL VAN KULL
ARTHUR KILL
RARITAN RIVER
JERSEY CENTRAL LINES
THE CENTRAL RAILROAD COMPANY OF NEW JERSEY
WALTER P GARDNER, TRUSTEE
CENTRAL RAILROAD COMPANY OF PENNSYLVANIA
MAP OF SYSTEM AND CONNECTING LINES
1948
SCALE: 0 5 10 15 20 MILES
LEGEND:
THE C.R.R. CO. OF N.J. OWNED, CONTROLLED AND OPERATED LINES.
LINES OPERATED IN WHICH THE C.R.R. CO. OF N.J HAS A SUBSTANTIAL INTEREST. THE NEW YORK AND LONG BRANCH RAILROAD COMPANY. BAY SHORE CONNECTING RAILROAD COMPANY.
C.R.R. CO. OF PA. OWNED, CONTROLLED AND OPERATED LINES.
C.R.R. CO. OF PA. TRACKAGE RIGHTS.
LINES NOT OPERATED IN WHICH THE C.R.R. CO. OF N.J. HAS A SUBSTANTIAL INTEREST. THE LEHIGH AND HUDSON RIVER RAILWAY COMPANY. RARITAN RIVER RAILROAD COMPANY.
THROUGH CONNECTIONS.
OTHER RAILROADS.

Historical Highlights

JERSEY CENTRAL LINES

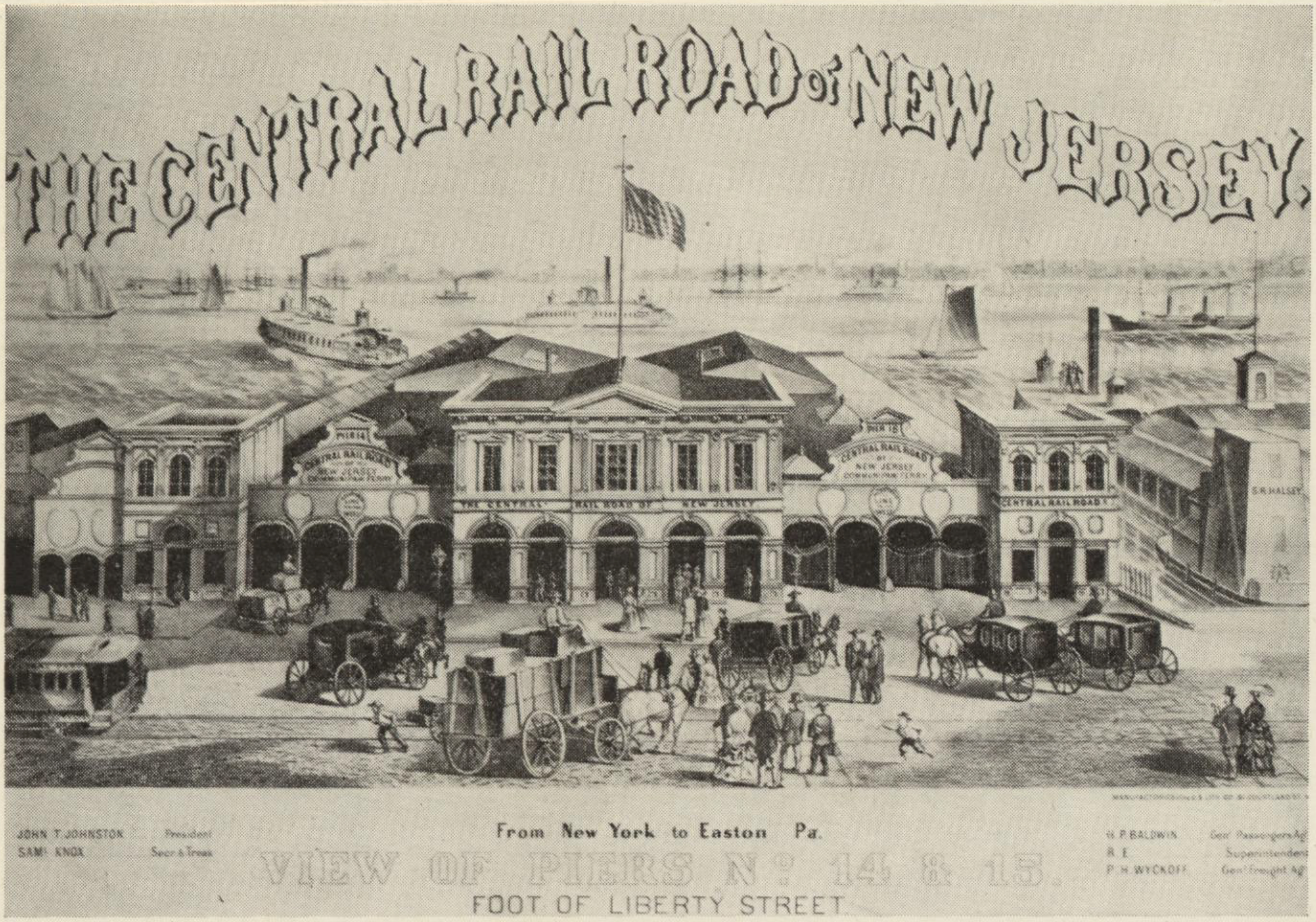
"The BIG Little Railroad"

One hundred years ago—on April 23, 1849—the directors* of the Somerville and Easton Rail Road, predecessor of Jersey Central Lines, voted to change the name of that company by adopting this resolution:

That, in conformity with the provisions of the Supplement to the Charter, this Company now assume the name of

THE CENTRAL RAIL ROAD COMPANY OF NEW JERSEY

***Stephen Vail of Morristown; Benjamin Williamson and John O. Sterns of Elizabethtown; John Taylor Johnston, Cornelius Vanderbilt, Elisha Peck, William E. Dodge and William S. Wetmore of New York.**


THE CENTRAL RAIL ROAD OF NEW JERSEY.
CENTRAL RAIL ROAD OF NEW JERSEY
THE CENTRAL RAIL ROAD OF NEW JERSEY
CENTRAL RAIL ROAD
S.R. HALSEY
JOHN T. JOHNSTON President
SAML. KNOX Secr. & Treas.
From New York to Easton Pa.
VIEW OF PIERS No. 14 & 15.
FOOT OF LIBERTY STREET
H. P. BALDWIN Genl. Passengers Agt.
R. E. Superintendent
P. H. WYCKOFF Genl. Freight Agt.

FEATURING ITS ROUTE AS "The Allentown Line to the West," the Jersey Central possessed what in 1870 was an impressive ferry terminal at the foot of Liberty Street, New York, where the present terminal stands. Ferryboat in left center is depicted as the "Communipaw," one of the railroad's first two double-end ferryboats to go into service when the rail line was extended to Jersey City in 1864. The other was the "Central." Both remained in service until after the turn of the century.

ON APRIL 23, 1949, Jersey Central Lines became one hundred years old. The date marked the centennial of the establishment of our company as The Central Railroad Company of New Jersey.

We might have observed our One Hundredth Anniversary eighteen years ago—pegging it on that day in 1831 when the Elizabethtown and Somerville Rail Road Company, a Jersey Central forerunner, was incorporated. Or we might have been justified in claiming the year 1818 as the date from which to reckon our centenary, for that year saw the opening of the Elizabethport and New York Ferry Company, oldest corporation in the Jersey Central family.

But April 23, 1849, was the day the Jersey Central became the "Jersey Central," and that is the date we chose to recognize as marking the birth of our railroad as it is known today.

Since 1849 we have been a closely-knit family. Our aim has remained the same through the years—to render efficient, economical, courteous transportation service to the people and industry of New Jersey. We operate in the same territory—now vastly expanded—where we started. Families in their third generation continue to serve the railroad and the public faithfully.

Our business has withstood the stern tests of competition and the weighty burden of taxation—and it remains vigorous. This, we feel, is evidence of the soundness of our policies, the reliability of our service, and the ability of Jersey Central men and women to keep pace with progress.

We hope that these few pages, which must of necessity touch only the highspots in a long, active and often turbulent history, will impart to the reader some realization of the solidarity, character, and step-by-step progress of what today is Jersey Central Lines—which can be truly called "New Jersey's Own Railroad," for it serves 17 of the State's 21 counties, and it is the only Class 1 Railroad having the greatest part of its mileage in the Garden State.

Unlike many of America's early railroads, which were built from the sources of raw materials toward tidewater, Jersey Central Lines reversed this process of development. The railroad grew out of a ferryboat operation and was built *from* the industrial center of New Jersey—Elizabethtown (the oldest settlement in New Jersey, now called Elizabeth)—*toward* the sources of raw materials.

The ferry—the Elizabethport and New York Ferry Company—was the parent of the railroad. And to look beyond that for a moment, the first known means of transportation over a route that still is a part of the Jersey Central was another ferry that started running in 1661. It was on Dec. 22 of that year that the Village of Bergen (now Jersey City) granted to a William Jansen provisional permission "to work a ferry between Bergen and the Island of Manhattan."

Jansen's ferry operated from a point near where Jersey Central Lines' Communipaw station now stands —nearly a mile inland today—to the old landing on Manhattan at the foot of the present Battery Place. This became known as the Communipaw Ferry. Boats used were rowboats and small-decked sailboats.

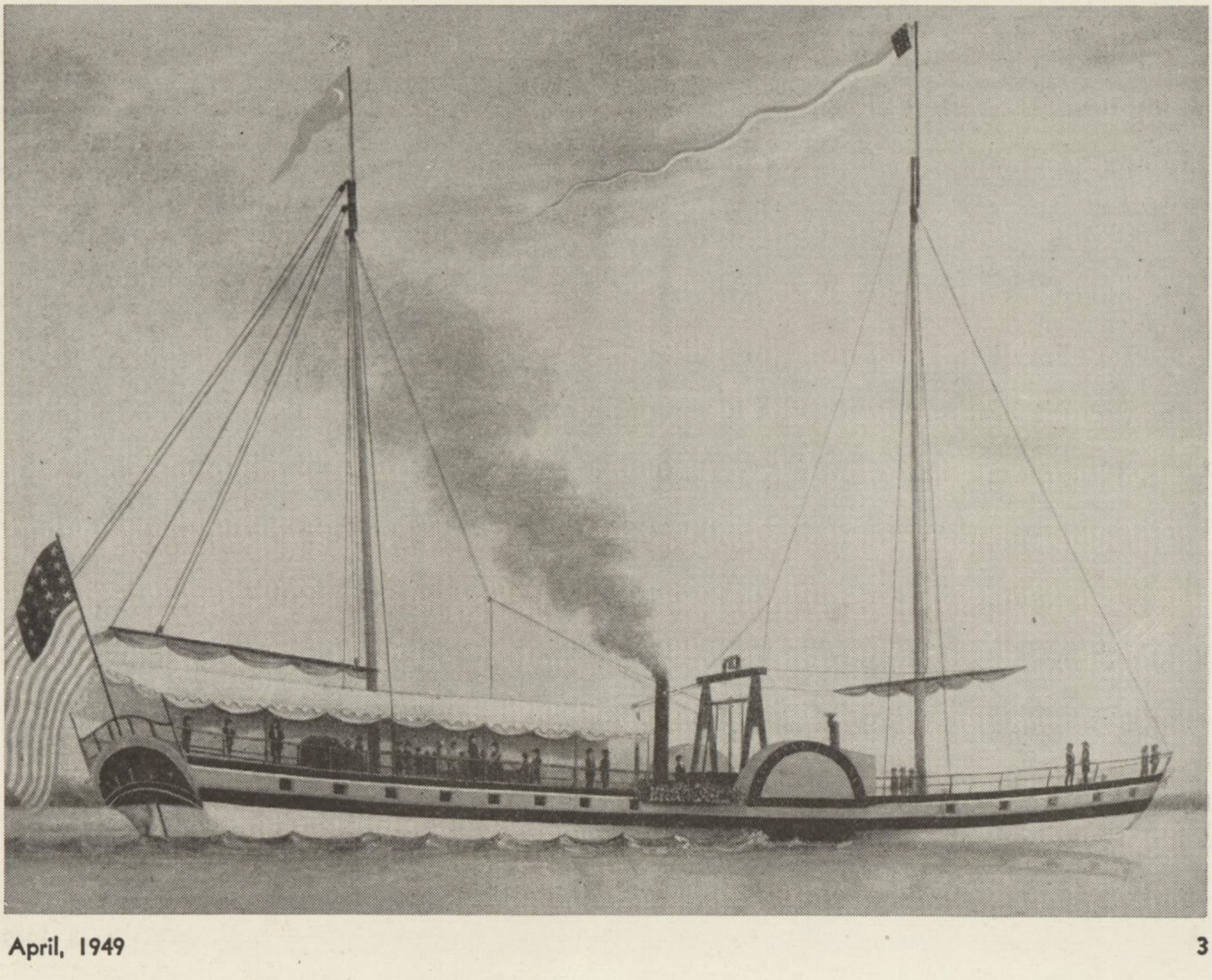
Jansen remained ferryman for eight years. Then, in June, 1669, Governor Carteret of New Jersey leased the Communipaw Ferry to a Pieter Hetfelsen for three years—and it was stipulated that the Governor and his family were to have free transportation over it, a custom now extended by law on all railroads in New Jersey for some State officials.

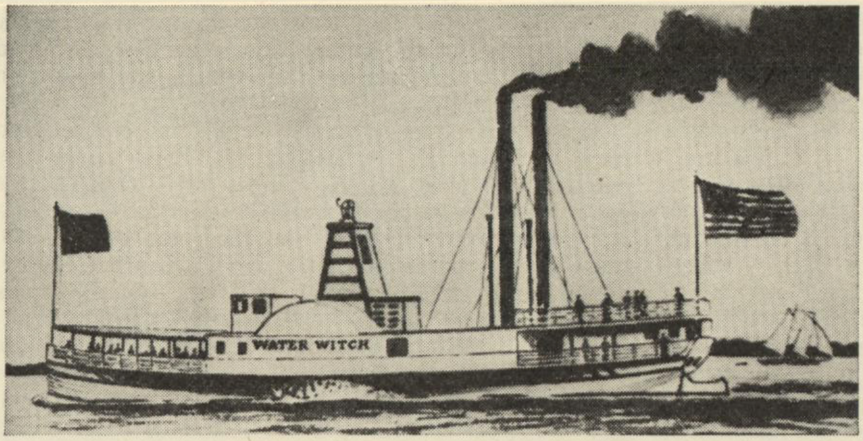
The Communipaw Ferry apparently fell into disuse about 1783 when the British evacuated Paulus Hook —now that portion of Jersey City where stands the Colgate-Palmolive-Peet Company's "biggest clock in the world." About that time the Paulus Hook Ferry (the present line to Cortlandt St., New York) started operating, and it has been in continuous operation ever since.

Meanwhile, other ferry service was offered between New York and Elizabethtown. In 1804 a route was started that used sailboats until 1815. Out of this grew the Elizabethport and New York Ferry Company, established in 1818 and incorporated in 1839, the oldest corporation in the Jersey Central family. Steam entered the picture in 1808 when John Stevens of Hoboken, completed his "Phoenix," the first "all-American" steamboat. (Robert Fulton perfected his first steamboat, the "Clermont," in 1807, but its machinery was imported from England.) In May, 1808, the "Phoenix" made her first trip from Elizabethtown to Manhattan, opening the first regular steam transportation route in America. It continued for 80 years and became the oldest link in the Jersey Central Lines system.

Jersey Central's first rail predecessor—the Elizabethtown and Somerville Railroad Company, was incorporated Feb. 9, 1831, less than six years after

FIRST SUCCESSFULLY-OPERATED commercial steamboat built entirely in America was the "Phoenix," constructed at Hoboken, N. J., and completed in 1808. She opened the first regular steam transportation route in America, running from Elizabethtown to Manhattan on a route that was to become part of the Jersey Central.





FIRST FERRYBOAT actually owned by the Elizabethport and New York Ferry Company—a company still active and the oldest in the Jersey Central family—was the "Water Witch," built in 1831 and later owned by Captain Cornelius Vanderbilt, one of the first directors of the Elizabethtown and Somerville Rail Road Company, a Jersey Central predecessor. The "Water Witch" ran from Manhattan to Elizabethtown Point from about 1831 to about 1855. Another boat, the "Cinderella," ran on the same line from 1831 to 1843 when she was sold at auction.

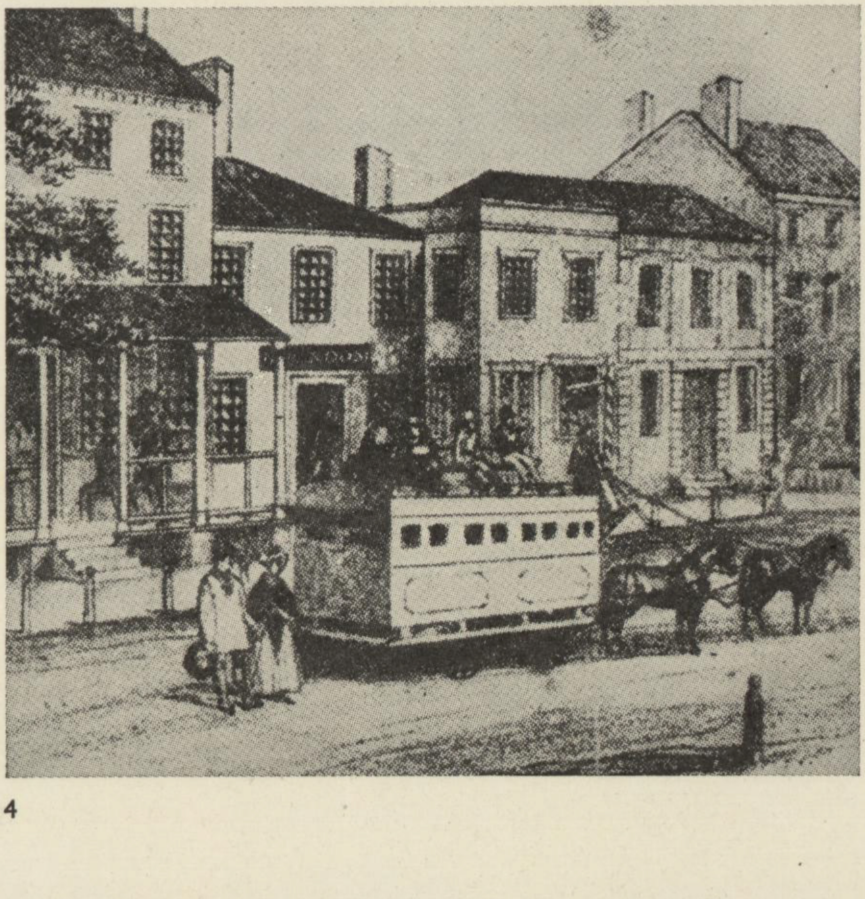
the first steam locomotive doomed the just-completed Erie Canal. Its first trackage extended all of two-and-a-quarter miles from Elizabethtown Point (now known as Elizabethport) to Elizabeth. Service started August 13, 1836. The first motive power and rolling equipment consisted of four horses and one coach—the "Town Car."

Between 1836 and 1842, the E&S extended its mileage to 25½. It then ran from the waterfront at Elizabethport through Plainfield and Bound Brook to Somerville. Service between Elizabethtown and Plainfield began Jan. 1, 1839, with rolling stock consisting of one nine-ton locomotive, "The Eagle," one 8-wheel passenger car and four 4-wheel box cars.

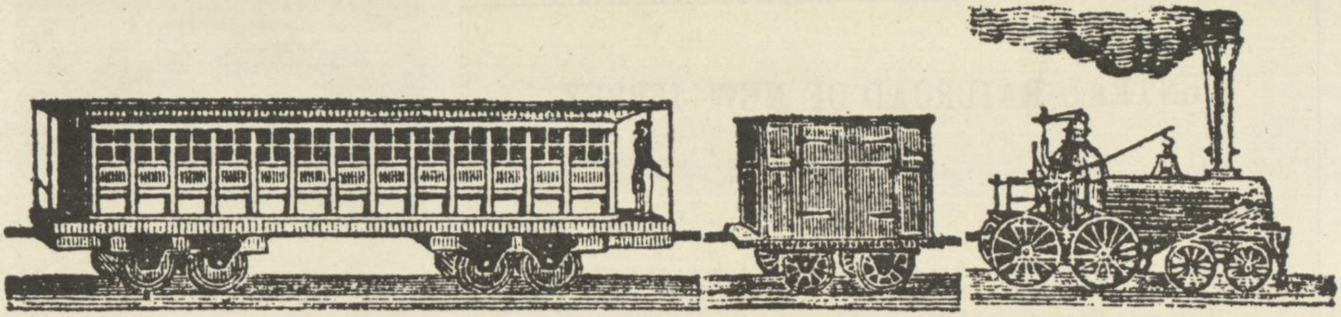
A year later trains ran to a point about one-half mile east of the present station at Bound Brook, which at that time was called Yellow Tavern. Because financial difficulty was experienced, it was not until Jan. 1, 1842, that the first locomotive arrived at Somerville. Service began the following day.

In 1844 the E&S got into financial difficulties from which it never recovered. The total income from the operation of the railroad was not enough to pay the operating expenses, and there was nothing left to pay interest on its indebtedness. Suit was brought in 1845 and in 1846 the properties were sold at auction to the contractors who had built the line. The "Elizabethtown and Somerville Rail Road of 1846" was then organized (not incorporated) to operate the properties held by the contractors.

The Somerville and Easton Railroad Company was incorporated in 1847 to build and operate a railroad over the line originally granted to the E&S. The line from Somerville to the White House Road (now White-



HERE IS THE FIRST piece of rolling equipment owned by the Elizabethtown & Somerville Rail Road Company which later became the Jersey Central. Horse-drawn, it was known as the "Town Car." It ran along Broadway in Elizabethtown from the ferry docks to the corner of Water Street (now Elizabeth Ave.) and Broad Street. It made its inaugural run August 13, 1836, and continued to operate until 1848.



AND HERE IS JERSEY CENTRAL'S first train, consisting of a locomotive, a wood car, and one coach. The locomotive shown in the drawing is the "Eagle," built by Baldwin at Philadelphia in 1838. A 9-ton engine, a heavy road locomotive in those days, the "Eagle" went into service Jan. 1, 1839, running from the foot of Broadway, Elizabethport, to Plainfield, stopping at Elizabethtown, Westfield and Scotch Plains. She ran at least ten years, and was still in existence, but not in use, as late as 1851 or 1852. Two other E&S locomotives of the same type were the "General Wall" and one believed to have been called the "Philadelphia."

house) was built by the S&E and leased to the "E&S of 1846." Service over this portion of the line started Sept. 25, 1848.

A supplement to the charter of the S&E was obtained in 1849 which permitted it to purchase the E&S and then change the name to The Central Railroad Company of New Jersey. On April 23, 1849, the directors of the S&E took formal action completing the merger and changing the name.

Between 1850 and 1852 the line was extended to Phillipsburg on the New Jersey-Pennsylvania border. Up to this time the railroad was only a local passenger carrier without connections except at Elizabethtown where it exchanged passengers with the New Jersey Railroad (now the Pennsylvania Railroad.) Beginning in 1848 through cars were run from Somerville to Jersey City via the New Jersey Railroad.

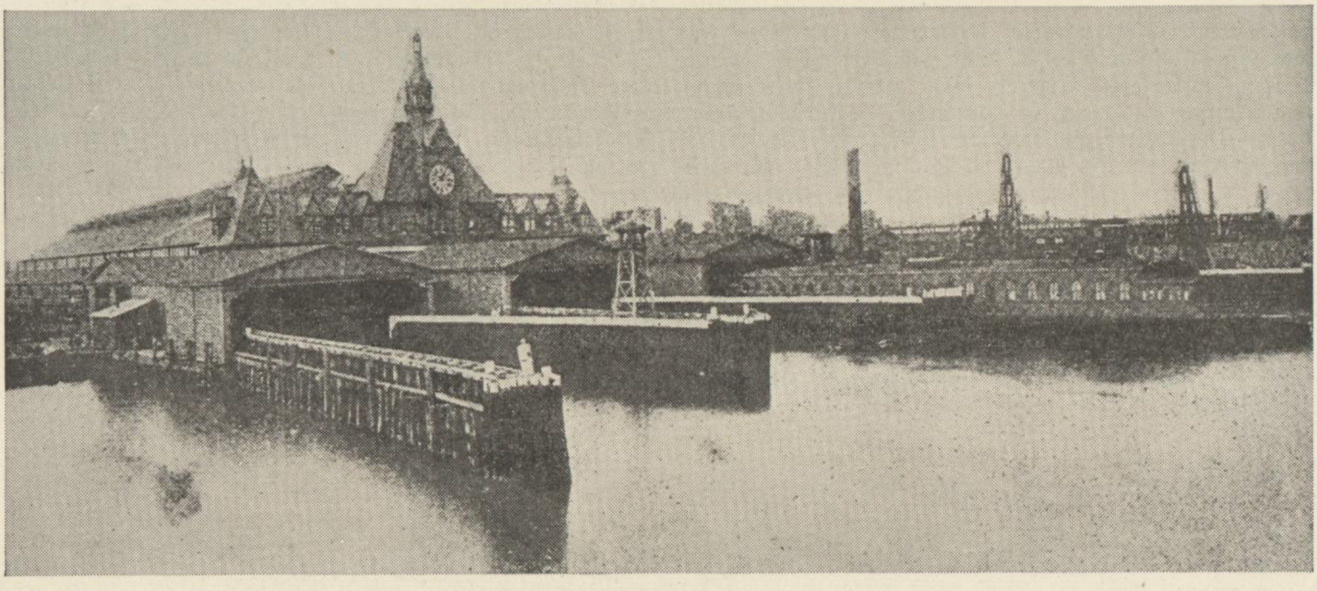
The first through railroad connection that gave the Jersey Central substantial freight business was in 1855 when the Lehigh Valley Railroad was completed, and through trains were run between Elizabethport and Mauch Chunk. During the Lehigh Valley Railroad's first few months of operation, it leased all its equipment from the Jersey Central because it had none of its own.

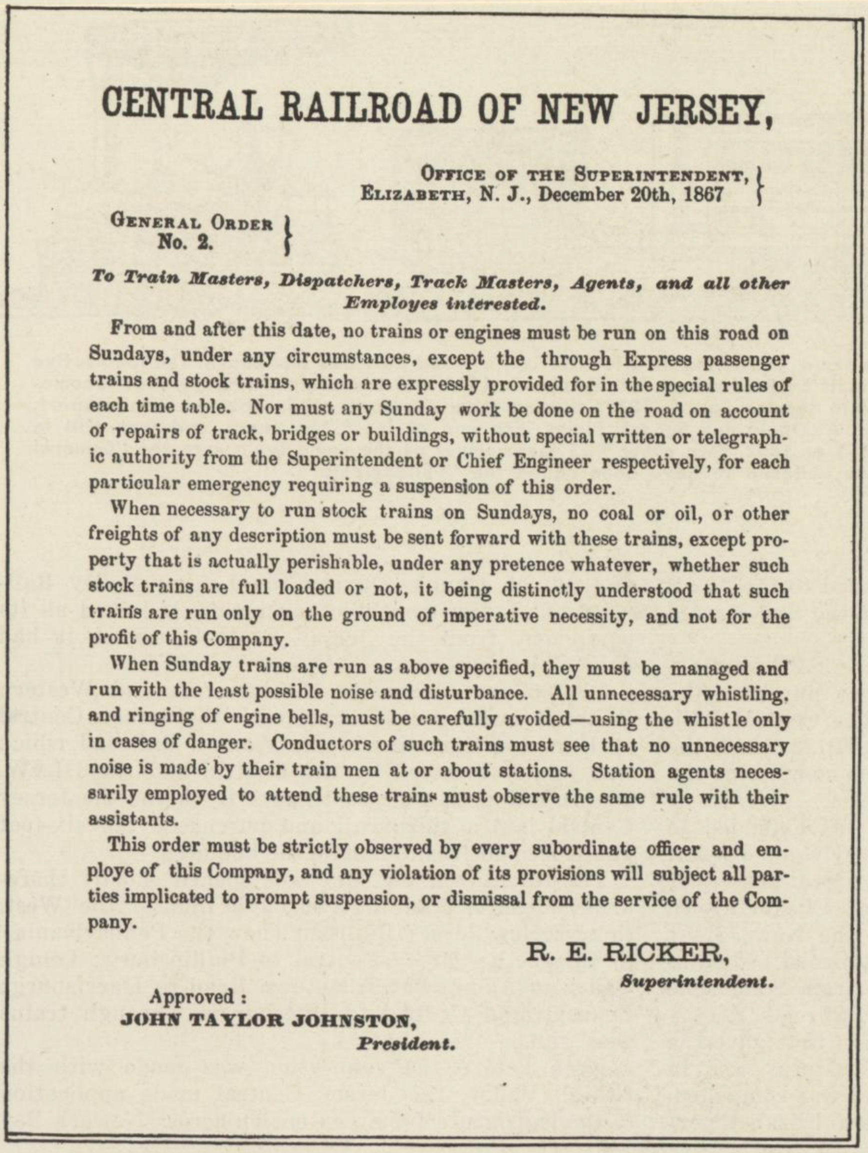
In 1857 the Delaware, Lackawanna and Western Railroad made a connection with the Jersey Central at Hampton Summit via the Warren Railroad which was jointly financed by the Central and the DL&W. The DL&W used a six-foot gauge track and the Jersey Central laid a third rail and purchased ten six-foot gauge locomotives to handle the business.

The Allentown, Pa., line was opened shortly thereafter, forming the first through line to the West, thusly: New Jersey Railroad (now the Pennsylvania) to Elizabeth: Jersey Central to Phillipsburg; Lehigh Valley to Allentown; Allentown Road to Harrisburg; Pennsylvania Central to Pittsburgh. Through trains were run.

Even before the connection was made with the Lehigh Valley, the Jersey Central made application to the legislature for an extension across Newark Bay

JERSEY CITY TERMINAL'S wooden ferry house looked like this about 1889. The present ferry slips were built 1911-12.





CENTRAL RAILROAD OF NEW JERSEY,

OFFICE OF THE SUPERINTENDENT,
ELIZABETH, N. J., December 20th, 1867

GENERAL ORDER
No. 2.

To Train Masters, Dispatchers, Track Masters, Agents, and all other Employes interested.

From and after this date, no trains or engines must be run on this road on Sundays, under any circumstances, except the through Express passenger trains and stock trains, which are expressly provided for in the special rules of each time table. Nor must any Sunday work be done on the road on account of repairs of track, bridges or buildings, without special written or telegraphic authority from the Superintendent or Chief Engineer respectively, for each particular emergency requiring a suspension of this order.

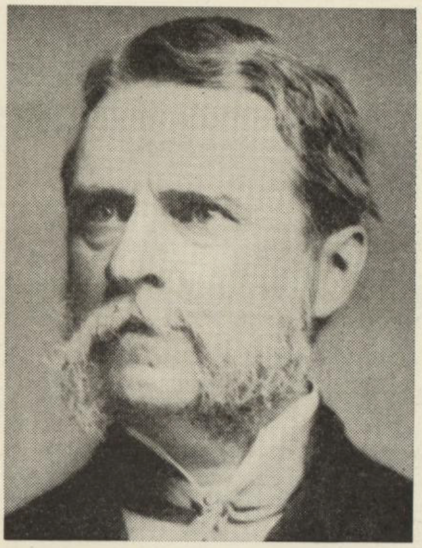
When necessary to run stock trains on Sundays, no coal or oil, or other freights of any description must be sent forward with these trains, except property that is actually perishable, under any pretence whatever, whether such stock trains are full loaded or not, it being distinctly understood that such trains are run only on the ground of imperative necessity, and not for the profit of this Company.

When Sunday trains are run as above specified, they must be managed and run with the least possible noise and disturbance. All unnecessary whistling, and ringing of engine bells, must be carefully avoided—using the whistle only in cases of danger. Conductors of such trains must see that no unnecessary noise is made by their train men at or about stations. Station agents necessarily employed to attend these trains must observe the same rule with their assistants.

This order must be strictly observed by every subordinate officer and employe of this Company, and any violation of its provisions will subject all parties implicated to prompt suspension, or dismissal from the service of the Company.

R. E. RICKER,
Superintendent.

Approved :
JOHN TAYLOR JOHNSTON,
President.



JOHN Taylor Johnston was CNJ's first president. He joined the board of directors and was elected president of the S&E in 1848 and retained the presidency of the road when its name was changed to The Central Rail Road Company of New Jersey the next year. He was 28 years old when named to head the S&E.

WHEN Sunday was Sunday. General Order No. 2, dated Dec. 20, 1867, expressly prohibited the running of "trains or engines" on Sundays except "through Express passenger trains and stock trains," the latter to move "only on the ground of imperative necessity, and not for the profit of this Company."

to the Hudson River. For five years no progress was made until John Taylor Johnston, president of the Jersey Central, made an agreement with the Camden and Amboy Railroad to split the Western business ¾-¼—the Central getting the short end and the Camden & Amboy (now also the Pennsylvania) to withdraw its objection to the Central's proposed extension to the Hudson River. The charter was granted in three weeks. The line to the Hudson was opened August 1, 1864, completing what is now the main line between Jersey City and Phillipsburg.

All during this early period, ferry service was operated from Elizabethport by the Elizabethport & New York Ferry Company. Soon after August 1, 1864, the present Jersey City-New York ferry service was established. The slower Elizabethport ferry was discontinued in 1889.

Meanwhile, the Jersey Central had branched out. The South Branch Railroad from Flemington to Somerville was completed in July, 1864, and leased to the Jersey Central.

Then, through a long-term lease made March 31, 1871, with the Lehigh Coal & Navigation Company, the railroad's operations were extended into Pennsylvania. The LC&N, now the nation's No. 3 anthracite producer, had constructed the Lehigh & Susquehanna Railroad under special acts of the Pennsylvania legislature and operated the road from 1837 until the 1871 lease, which continues today. Thus the Jersey Central has direct access to many important Pennsylvania cities and anthracite fields.

Today, the 650-mile-long Jersey Central Lines, operating about 1,800 miles of track, is composed of four railroads:

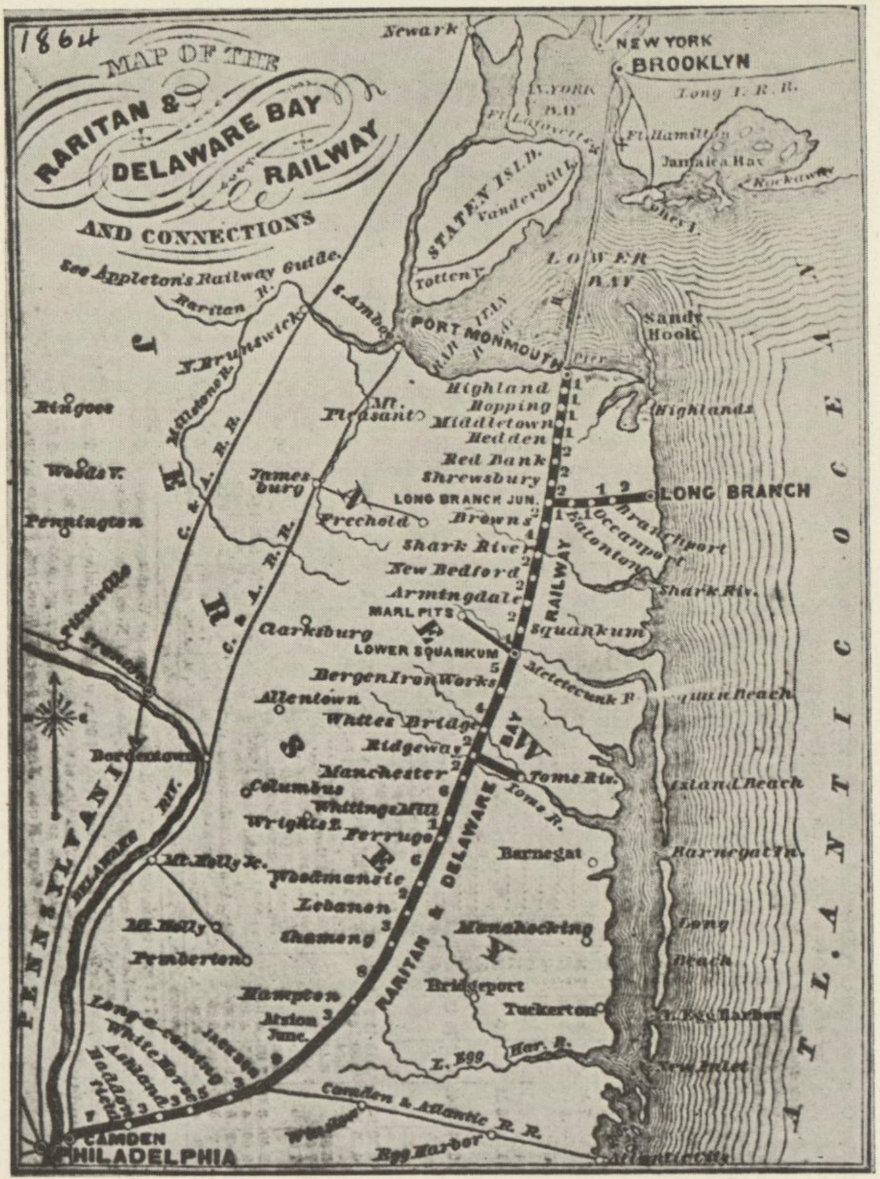
—The Central Railroad Company of New Jersey (the parent company and oldest of the four);

—Central Railroad Company of Pennsylvania;

—Wharton and Northern Railroad Company;

—Mount Hope Mineral Railroad Company.

The Lehigh & Susquehanna lease was made to The Central Railroad Company of New Jersey. Because of inordinately heavy New Jersey taxes, how-


1864
MAP OF THE
RARITAN & DELAWARE BAY RAILWAY
AND CONNECTIONS
See Appleton's Railway Guide.
Newark
NEW YORK
BROOKLYN
STATEN ISLD.
LOWER BAY
PORT MONMOUTH
Sandy Hook
Highlands
Highland
Middletown
Red Bank
Shrewsbury
LONG BRANCH JUN.
LONG BRANCH
Freehold
Shark River
New Bedford
MARL PITS
LOWER SQUANKUM
Squankum
Bergen Iron Works
Allentown
Bordentown
Manchester
Toms Riv.
Barnegat
Woodmansie
Lebanon
Mt. Holly
Pemberton
Hampton
Bridgeport
Tuckerton
Camden & Atlantic R. R.
Egg Harbor
CAMDEN
PHILADELPHIA
PENNSYLVANIA
RARITAN & DELAWARE BAY RAILWAY
ATLANTIC OCEAN

THIS map shows the route of the "Brooklyn and Camden Express" over the 1864 route of the Raritan & Delaware Bay Railway, forerunner of Jersey Central's Southern Division. The "Express" took five hours and fifteen minutes to negotiate the 113-mile trip from Brooklyn to Philadelphia, one hour and twenty minutes of which was consumed by the boat trip from Brooklyn to the pier at Port Monmouth. Present-day New York-Philadelphia trains cover "The New Line" route via Bound Brook in about two hours, including a 12-minute Hudson River ferry ride.

BUSY rail spot in Elizabeth's earlier days was this junction of the Pennsylvania and Jersey Central railroads when they crossed at grade. This picture, which shows the crossover and the joint station, was taken sometime in the '70s.

ever, Jersey Central Lines formed the Central Railroad Company of Pennsylvania in 1944 to take over the lease and operate the L&S trackage and properties. The main line of the Central of Pennsylvania runs from Phillipsburg, N. J., on the state-dividing Delaware River, to Scranton, Pa. It has many branches.

Forerunner of the Jersey Central's New Jersey Southern Division was the Raritan and Delaware Bay Railroad which was chartered in 1854 and constructed between 1860 and 1866. The present Southern Division runs some 93 miles from Red Bank, N. J., to Bowentown, N. J., near Bridgeton. Among its branches are one through Toms River to Barnegat, one to Deerfield, and one to Bivalve.

The Wharton and Northern Railroad Company in northern New Jersey was incorporated in 1905. At that time it represented the consolidation of six small railroads. It now extends from Green Pond Junction to Wharton and has connections for interchanging traffic with the DL&W at Wharton and with the New York, Susquehanna and Western Railroad Company at Green Pond Jct. In war years the road was used to a great extent for the movement of ammunition from nearby arsenals. The W&N was acquired by the Jersey Central through purchase of its capital stock in 1930.

Acquired similarly about the same time was the Mount Hope Mineral Railroad Company, also located in northern New Jersey. Constructed in 1866 and 1867, it consists of about 5½ miles of road from Wharton to Mount Hope. Its traffic is largely iron ore from nearby mines. It connects with the DL&W at Wharton.

Still another railroad, not technically part of the Jersey Central Lines, is operated by the Central Railroad of New Jersey. This is the New York and Long Branch Railroad Company which was chartered in 1868. In 1873 it was leased to the CNJ until April. 1, 1883, when it was operated under contract with the CNJ and the Pennsylvania Railroad. That arrangement continued until March 1, 1930, except for a period during World War I, when a new contract

Here Are Some Dates of Importance and Interest in

1661—Opening of Communipaw Ferry by William Jansen.

1809—First steam transportation between New York and Elizabethtown Point.

1818—Opening of the Elizabethport and New York Ferry by Thomas Gibbons with Captain Cornelius Vanderbilt in charge.

1827—Opening of the nine-mile Mauch Chunk Rail Road from the anthracite mines near Summit Hill to the Lehigh River at Mauch Chunk, Pa., the first commercial railroad in America; leased to the Jersey Central in 1871. A gravity railroad, it was known as the Switchback; abandoned about 1931.

1831—Elizabethtown and Somerville Rail Road Company incorporated.

1836—Opening of the E&S Rail Road from the ferry dock at the foot of Broadway, Elizabethport, to the Union Hotel at Water St. (now Elizabeth Ave.) and Broad St,. Elizabethtown, by the horse-drawn Town Car.

1839—Opening of the E&S from Elizabethport to Plainfield for steam operation by locomotive "Eagle" and train.
—Sale of the ferry by Vanderbilt to the Elizabethport and New York Ferry Company incorporated that year and now the oldest active company in the Jersey Central family.

1840—Opening of the railroad from Plainfield to New Market (Dunellen).

1841—Opening of railroad to the Yellow Tavern, one-quarter mile east of Bound Brook.

1842—Opening of railroad from Yellow Tavern to Somerville.

1846—Foreclosure of mortgage and sale of Elizabethtown and Somerville Rail Road to Coffin Colket and John O. Sterns, the contractors who built the road, acting as agents for the creditors.
—Organization of "The Elizabethtown and Somerville Rail Road of 1846." Stephen Vail of Morristown was its first president.
—Start of rebuilding the railroad; replacing wooden rails with iron "wedge rails."

1847—Incorporation of the Somerville and Easton Railroad to build a railroad from Somerville to the Delaware River opposite Easton, Pa.

1848—Construction of railroad from Somerville to the White House Road and its lease to the "E&S of '46."
—Through cars run from Somerville to Elizabethtown and thence over New Jersey Rail Road (PRR) to Jersey City.
—John Taylor Johnston joins board of directors of S&E and is elected president at age of 28.

1849—Sale of the "E&S of '46" to the S&E and change of name on April 23 to The Central Rail Road Company of New Jersey.

1850—Start of construction of railroad from Whitehouse to the Delaware River under James Laurie, chief engineer, a founder and first president of the American Society of Civil Engineers.

1851—Building of the High Bridge over the South Branch of the Raritan River (1,300 feet long, 100 feet high) and bridges over Musconetcong, Pohatcong and Lopatcong rivers.

1852—Opening of Jersey Central to Phillipsburg.

1858—Through line completed between Elizabethport, Williamsport, Pa., and Elmira, N. Y., via Jersey Central, Lehigh Valley, Beaver Meadow Railroad through the Quakake Valley and the Catawissa Railroad.

1859—Through service established between New York and Pittsburgh via Jersey Central, Lehigh Valley, East Pennsylvania and Pennsvlvania Central.
—Anthracite coal being considered as a locomotive fuel because of increasing shortage of yellow pine.

1860—New Jersey legislature grants permission to Jersey Central to extend its line over Newark Bay to the Hudson River at Jersey City. Construction of line begins.
—First section of Raritan and Delaware Bay Rail Road is opened from Port Monmouth to Bergen Iron Works (now Lakewood). Extended to Atsion in 1862.
—Steamship route from Port Monmouth to New York is opened. This became the Sandy Hook route.

1861—Government took over Ferryboat "Kill von Kull" for war service and called on railroads to carry troops between New York and Washington via Jersey Central, Lehigh Valley, East Pennsylvania, Northern Central and Baltimore and Ohio.
—Jersey Central has more double-track railroad than any other New Jersey railroad.

1863—Contract is let for construction of Ferryboat "Central," 225 feet long. The "Central" ran from 1864 to 1900.

1864—Bridge over Newark Bay and extension of line from Elizabeth to Communipaw opened for passenger traffic. Communipaw Ferry re-established for steam operation with Ferryboats "Central" and "Communipaw."
—South Branch Railroad from Flemington to Somerville opens July 1; merged into Jersey Central in 1888.
—Jersey Central's president is authorized to purchase enough land to make right-of-way 100 feet wide instead of 66 feet wide.
—Lehigh and Susquehanna Railroad is authorized to build from Mauch Chunk to Easton.
—Wharf property at foot of Liberty St., New York, is purchased. Docks and ferry slips there are completed in 1865.

Development of Transportation Along Route of JCL

1865—Long Branch and Sea Shore Railroad opened from Spermacite Cove on Sandy Hook to Long Branch. Extended to Horse Shoe Cover, Sandy Hook in 1870. Sold at foreclosure and transferred to New Jersey Southern Railway in 1879.

1866—Raritan and Delaware Bay Rail Road is extended from Manchester (now Lakehurst) to Toms River.
—Map filed for a new line between Westfield and Plainfield.
—Ogden Mine Railroad opened from Lake Hopatcong to Edison, N. J., 9.69 miles.

1867—First car float used by Jersey Central.
—Directors decided to operate railroad on Sundays. In protest William E. Dodge sold his stock in the company and resigned as a director.
—Monmouth County Agricultural Railroad built about seven miles of road between Freehold and Matawan, then failed.

1868—Connection is made with the Lehigh and Suequehanna Railroad at Phillipsburg, making through route to Wilkes-Barre, Pa.

1869—Newark and New York Railroad opened from Communipaw to Broad St., Newark, 6.19 miles; merged into Jersey Central in 1873.
—North track of new line through Plainfield finished and opened to traffic.

1870—Name of Raritan and Delaware Bay Rail Road changed to New Jersey Southern Railroad Company.
—Main tracks relaid with steel rails in place of iron.
—Vineland Railway builds road from Atsion to Vineland, 24.5 miles, and in 1871 builds from Vineland to Bayside, 22.2 miles; leased to New Jersey Southern in 1872.

1871—Jersey Central leases the Lehigh and Susquehanna Railroad from the Lehigh Coal and Navigation Company for 999 years, and acquires its equipment, giving Jersey Central a continuous line from New York to Wilkes-Barre.

1872—Line from Elizabethport to Brills on the Newark and New York Railroad is completed.
—Bridgeton and Port Norris Railroad is opened from Bivalve to Bridgeton, connecting there with the New Jersey Southern for shipment of oysters and other traffic.

1873—On September 20 panic begins in New York City. Banks fail. Stock exchange closes. Helps cause Jersey Central receivership of 1877.

1874—New line of railroad from Westfield, through Fanwood to Plainfield, passing over streets, is opened; line through Scotch Plains is abandoned.
—Perth Amboy and Elizabethport Railroad goes into operation from Elizabethport to junction with the New York and Long Branch at Perth Amboy, 12.09 miles. Merged into Jersey Central in 1873 and completed by it.

1875—New York and Long Branch opens from Perth Amboy to Long Branch.

1876—NY&LB is extended to Ocean Beach (now Belmar) and to Sea Girt.

1880—NY&LB is extended to Point Pleasant.

1882—NY&LB is extended to Bay Head Junction.
—The New Jersey Southern Railroad Co. becomes part of the Jersey Central through acquisition of securities.

1886—Statue of Liberty is unveiled Oct. 28.

1893—Jersey Central leases wharf property and land at foot of East 15th St., New York City, for freight terminal; operated until 1904.

1913—Lehigh Valley Railroad starts using Jersey Central's Jersey City passenger terminal.

1917—U. S. Government takes over all railroads on December 28.

1918—Baltimore and Ohio trains are shifted from Jersey Central's Jersey City terminal to Pennsylvania Station (PRR) New York City; Lehigh Valley trains make similar shift about same time.

1920—Government operation of railroads ends February 29.

1921—Deerfield Branch opens.

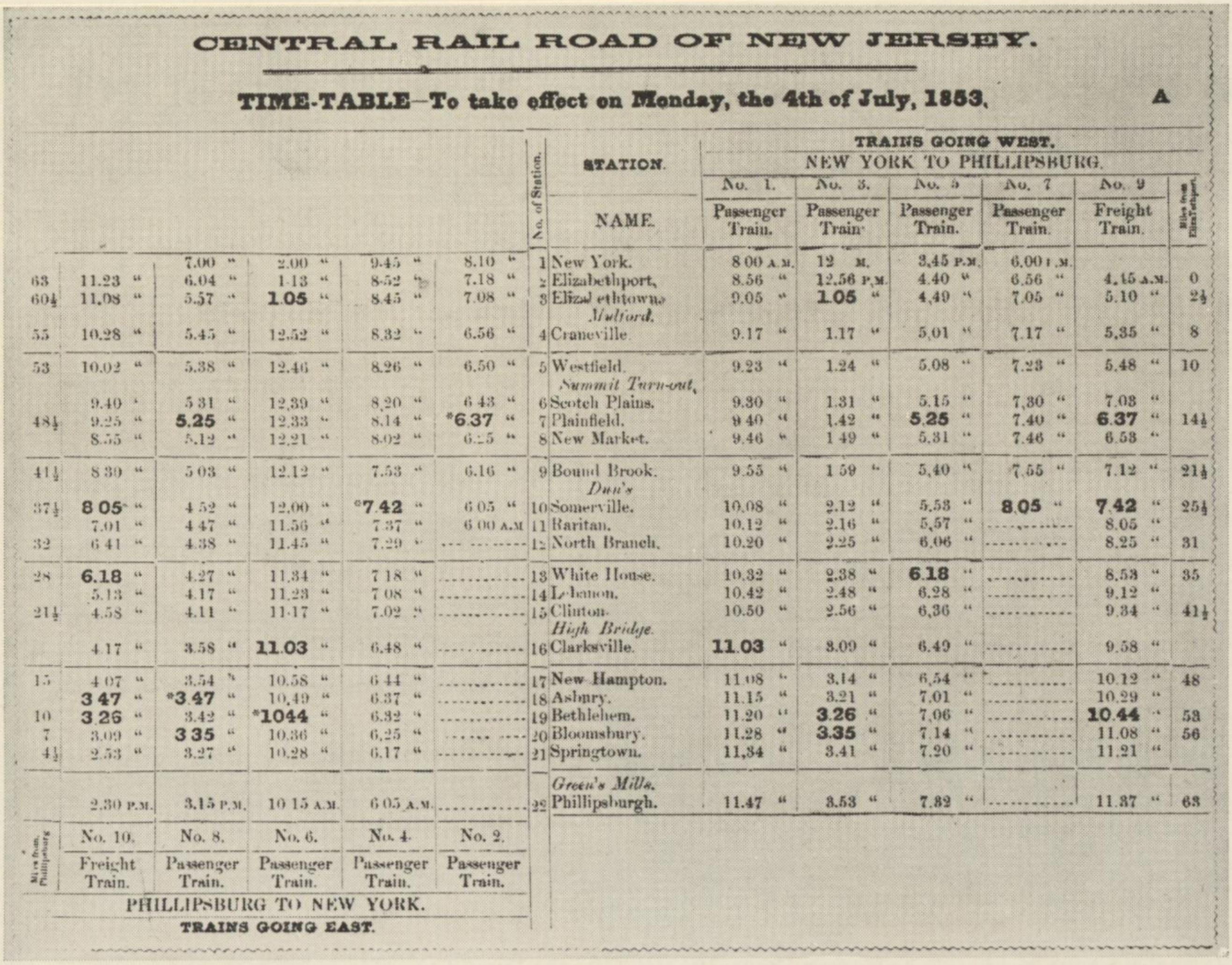
1926—Baltimore and Ohio trains again use Jersey Central's Jersey City terminal, starting August 29.

1939—Principally because of heavy New Jersey taxes, Jersey Central files petition for reorganization under federal bankruptcy statutes because it cannot pay the taxes and the interest which is due its bondholders, primary owners of its properties.

1946—On February 3, a steamship knocks down a span of Jersey Central's Newark-New York Branch bridge over the Hackensack River, eliminating direct through service via that route.
—On August 5, Jersey Central transforms its Pennsylvania properties into the Central Railroad Company of Pennsylvania as a wholly-owned subsidiary and operating carrier. Primary purpose: to stop the State of New Jersey from confiscating the Pennsylvania earnings of the Jersey Central under the guise of taxes.

1948—Passenger service on the Jersey City portion of the Newark-New York Branch is discontinued; last train May 5.

1949—Interstate Commerce Commission approves a plan of reorganization for The Central Railroad Company of New Jersey. The plan must be accepted by 75% of each class of security holders before August 2, 1949, to take effect.



CENTRAL RAIL ROAD OF NEW JERSEY.

TIME-TABLE—To take effect on Monday, the 4th of July, 1853. A

TRAINS GOING EAST. PHILLIPSBURG TO NEW YORK. — STATION. — TRAINS GOING WEST. NEW YORK TO PHILLIPSBURG.

Miles from Phillipsburg	No. 10.	No. 8.	No. 6.	No. 4.	No. 2.	No. of Station.	NAME.	No. 1.	No. 3.	No. 5	No. 7	No. 9	Miles from Eliza'thport
	Freight Train.	Passenger Train.	Passenger Train.	Passenger Train.	Passenger Train.			Passenger Train.	Passenger Train	Passenger Train.	Passenger Train.	Freight Train.	
		7.00 "	2.00 "	9.45 "	8.10 "	1	New York.	8 00 A.M.	12 M.	3,45 P.M.	6.00 P.M.		
63	11.23 "	6.04 "	1.13 "	8.52 "	7.18 "	2	Elizabethport,	8.56 "	12.56 P.M.	4.40 "	6.56 "	4.15 A.M.	0
60½	11.08 "	5.57 "	**1.05** "	8.45 "	7.08 "	3	Elizabethtown.	9.05 "	**1.05** "	4,49 "	7.05 "	5.10 "	2½
							Mulford.						
55	10.28 "	5.45 "	12.52 "	8.32 "	6.56 "	4	Craneville.	9.17 "	1.17 "	5,01 "	7.17 "	5,35 "	8
53	10.02 "	5.38 "	12.46 "	8.26 "	6.50 "	5	Westfield.	9.23 "	1.24 "	5.08 "	7.23 "	5.48 "	10
							Summit Turn-out,						
	9.40 "	5 31 "	12,39 "	8,20 "	6 43 "	6	Scotch Plains.	9.30 "	1.31 "	5.15 "	7,30 "	7.03 "	
48½	9.25 "	**5.25** "	12.33 "	8.14 "	*6.37 "	7	Plainfield.	9 40 "	1.42 "	**5.25** "	7.40 "	**6.37** "	14½
	8.55 "	5.12 "	12.21 "	8.02 "	6.25 "	8	New Market.	9.46 "	1 49 "	5.31 "	7.46 "	6.53 "	
41½	8 30 "	5 03 "	12.12 "	7.53 "	6.16 "	9	Bound Brook.	9.55 "	1 59 "	5,40 "	7.55 "	7.12 "	21½
							Dun's						
37½	**8 05** "	4 52 "	12.00 "	*7.42 "	6 05 "	10	Somerville.	10.08 "	2.12 "	5.53 "	**8.05** "	**7.42** "	25½
	7.01 "	4 47 "	11.56 "	7 37 "	6 00 A.M	11	Raritan.	10.12 "	2.16 "	5,57 "	------------	8.05 "	
32	6 41 "	4.38 "	11.45 "	7.29 "	------------	12	North Branch.	10.20 "	2.25 "	6.06 "	------------	8.25 "	31
28	**6.18** "	4.27 "	11.34 "	7 18 "	------------	13	White House.	10.32 "	2.38 "	**6.18** "	------------	8.53 "	35
	5.13 "	4.17 "	11.23 "	7 08 "	------------	14	Lebanon.	10.42 "	2.48 "	6.28 "	------------	9.12 "	
21½	4.58 "	4.11 "	11.17 "	7.02 "	------------	15	Clinton.	10.50 "	2.56 "	6,36 "	------------	9.34 "	41½
							High Bridge.						
	4.17 "	3.58 "	**11.03** "	6.48 "	------------	16	Clarksville.	**11.03** "	3.09 "	6.49 "	------------	9.58 "	
15	4 07 "	3.54 "	10.58 "	6 44 "	------------	17	New Hampton.	11.08 "	3.14 "	6,54 "	------------	10.12 "	48
	3 47 "	*3.47 "	10,49 "	6.37 "	------------	18	Asbury.	11.15 "	3.21 "	7.01 "	------------	10.29 "	
10	**3 26** "	3.42 "	*1044 "	6.32 "	------------	19	Bethlehem.	11.20 "	**3.26** "	7,06 "	------------	**10.44** "	53
7	3.09 "	**3 35** "	10.36 "	6,25 "	------------	20	Bloomsbury.	11.28 "	**3.35** "	7.14 "	------------	11.08 "	56
4½	2.53 "	3.27 "	10.28 "	6.17 "	------------	21	Springtown.	11,34 "	3.41 "	7.20 "	------------	11.21 "	
							Green's Mills.						
	2.30 P.M.	3.15 P.M.	10 15 A.M.	6 05 A.M.	------------	22	Phillipsburgh.	11.47 "	3.53 "	7.32 "	------------	11.37 "	63

1853 TIMETABLE SHOWS THAT the Manhattan-to-Elizabethport ferry trip took nearly an hour, and that Cranford once was called "Craneville," Dunellen was part of "New Market," Glen Gardner was "Clarksville," and Phillipsburg had an "h" at the end.

placed the Jersey Central in charge of NY&LB RR operation, and the Pennsylvania in charge of its accounting. The NY&LB and some of the Jersey Central's branches serve virtually every New Jersey seashore resort north of Atlantic City.

Jersey Central's tradition-crammed history has been one of progress.

It was in 1893 that the nation's first automatic motor-operated semaphore signal was installed along its main line at Black Dan's Cut, near Phillipsburg.

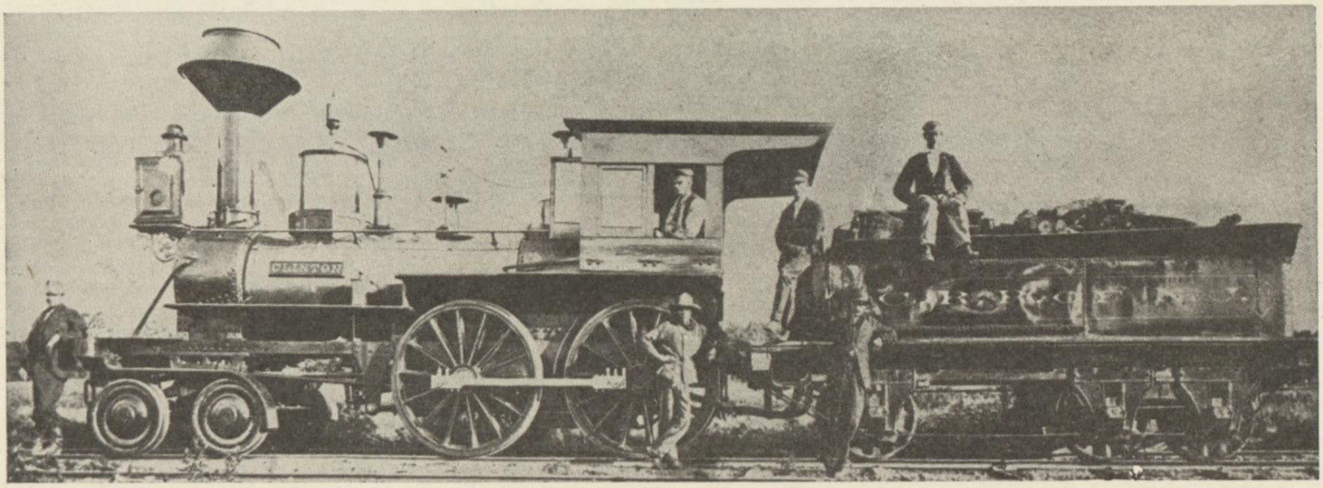
In 1925 the Jersey Central became the first railroad to acquire and operate a diesel-electric locomotive. This was—and is—No. 1000, a switching engine still in daily service at the railroad's Bronx Terminal, N. Y., yard.

Since then, the Jersey Central has acquired, or has on order, 80 more units of diesel motive power—sturdy yard switchers, both big and medium-sized road passengar locomotives, and multiple-unit road freight diesels. Its big, double-end, 2,000-horsepower road passenger diesels, acquired in 1946-48 for suburban service were the first of their size and type to be used for such service anywhere in the country. Its huge road freight locomotives operate in multiple units of 1,500-horsepower each.

Jersey Central's two huge roundhouses at Communipaw, Jersey City, have a total of 63 locomotive stalls. The engine facilities there are probably among the busiest in the world, for in prosperous years about 200 locomotives are dispatched from there every 24 hours.

The railroad's drawbridge across Newark Bay is one and two-fifths miles long. It is believed to be the longest four-track railroad drawbridge of its type in the world.

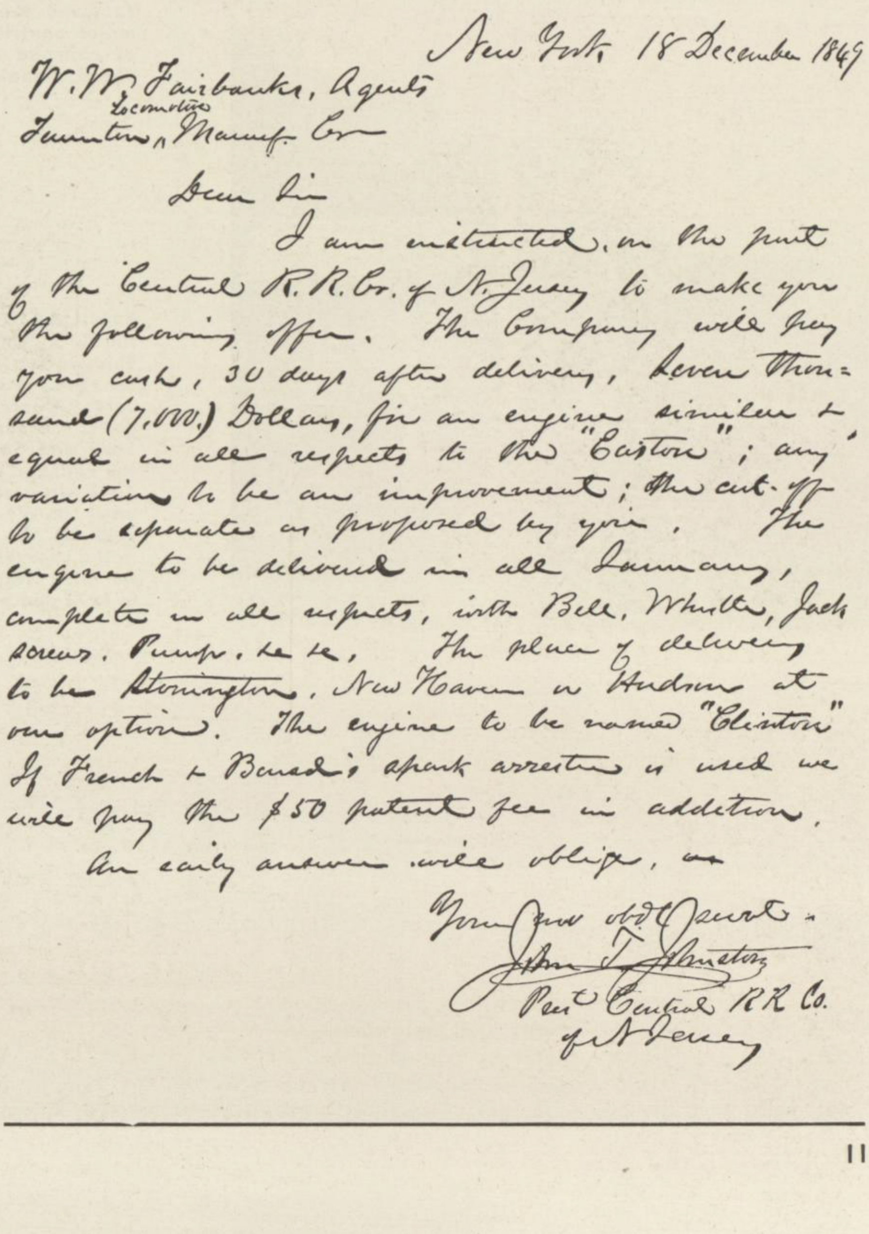
For over 100 years—until 1948—Jersey Central Lines operated one of the most interesting railroad engineering achievements in the world—the Ashley Planes at Ashley, Pa., about two miles south of Wilkes-Barre. There a three-stage cable-equipped railroad hauled freight cars from the Wyoming Valley up the steep side of a mountain. The three planes covered



The locomotive shown here is the "Clinton," one of the Jersey Central's early engines. The accompanying letter is one written by President John T. Johnston ordering the "Clinton" in 1849 from the Taunton Locomotive Manufacturing Co. at Taunton, Mass.

The fact that the engine is equipped with a diamond stack and a "modern" cab indicates that the picture was taken 15 or 20 years after it was built, declares Walter A. Lucas, railroad historian. "Its tender runs on six wheels mounted rigidly, not in a truck. The cylinders of the engine are inside the frame and drive a cranked axle, quite a common practice in those days. The engine evidently is in yard service as it has no pilot and, of course, no evidence of an air brake is shown, that device not having been invented.

"This locomotive was the 46th built at the Taunton shop under date of Jan. 26, 1850. Presumably it journeyed part way by boat from Massachusetts to New Jersey, but the route is unknown. The "Clinton" was Engine No. 4 on the Jersey Central roster of 1861. Some of its particulars include: cylinders, 15" x 20"; drivers, 5 feet in diameter; total weight, 22 tons. When built it was a wood-burning passenger engine adapted to standard gauge track."



New York, 18 December 1849

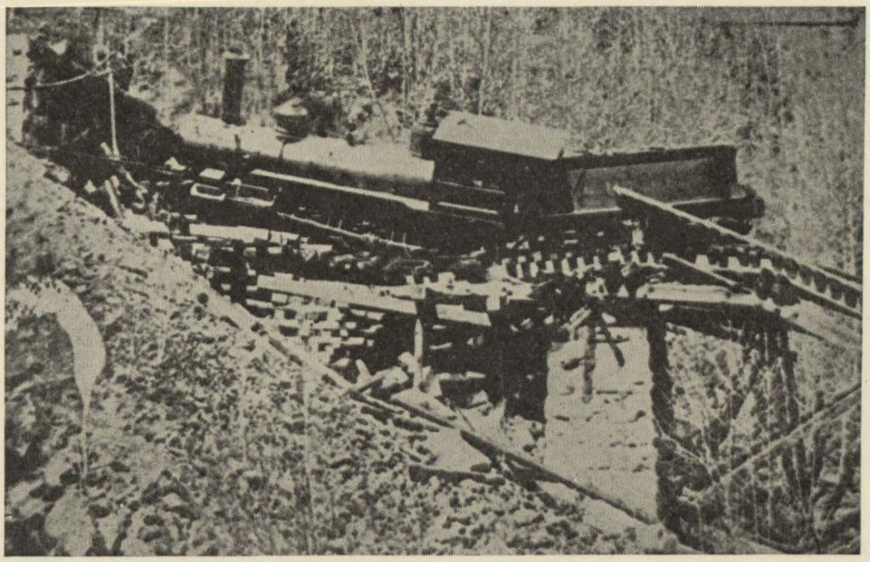
W. W. Fairbanks, Agent
Taunton Locomotive Manuf. Co.

Dear Sir

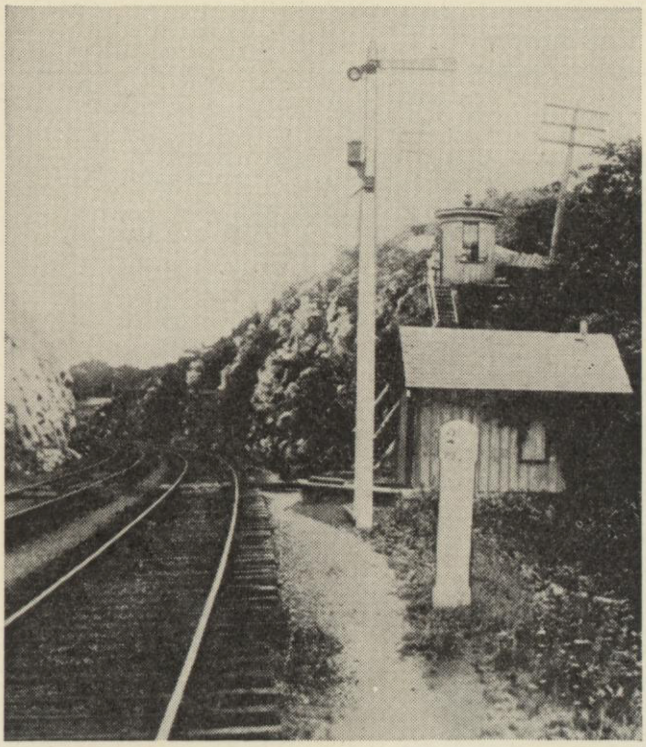
I am instructed, on the part of the Central R. R. Co. of N. Jersey to make you the following offer. The Company will pay you cash, 30 days after delivery, Seven Thousand (7,000.) Dollars, for an engine similar & equal in all respects to the "Easton"; any variation to be an improvement; the cut-off to be separate as proposed by you. The engine to be delivered in all January, complete in all respects, with Bell, Whistle, Jack screws, Pump, &c &c. The place of delivery to be Stonington, New Haven or Hudson at our option. The engine to be named "Clinton". If French & Baird's spark arrester is used we will pay the $50 patent fee in addition.

An early answer will oblige, us

Your mo obdt servt.
John T. Johnston
Prest Central RR Co.
of N Jersey

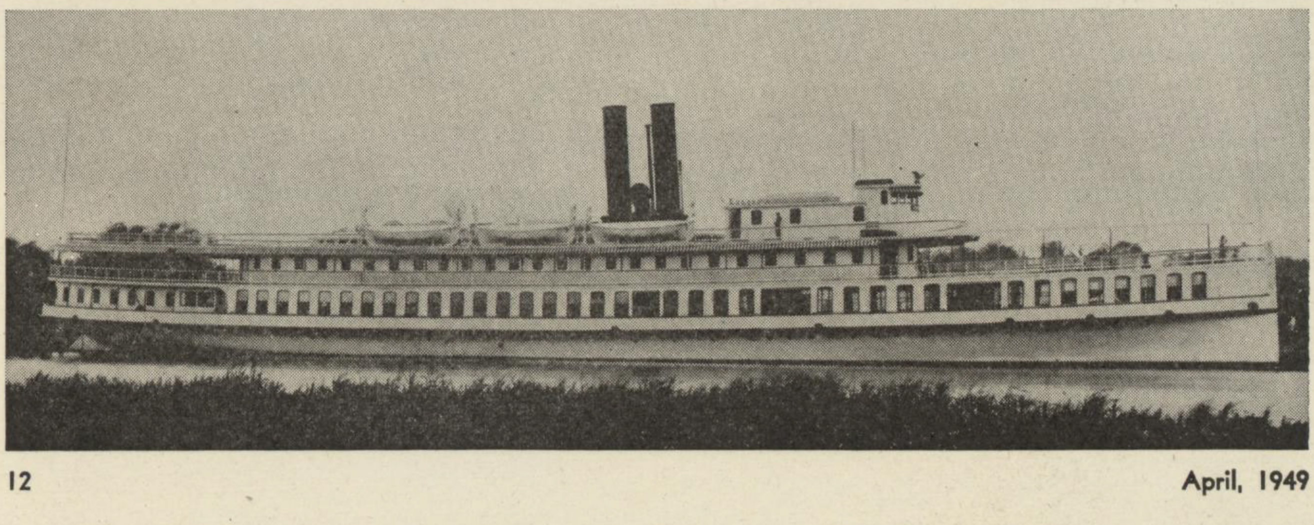


GORGE Bridge wreck of April 5, 1885, may still be remembered by a few JCL oldtimers. Involved in the High Bridge Branch mishap was the 4-6-0 type locomotive shown here. It probably was No. 290 or 292, received from Baldwin at Philadelphia in January 1880. This ten-wheeled type locomotive had a four-wheel engine truck and three pairs of driving wheels. Locomotive and tender weighed 14,321 pounds, compared with today's M 2-8-2 Mikado engines (such as No. 933) which weight 550,300 pounds.

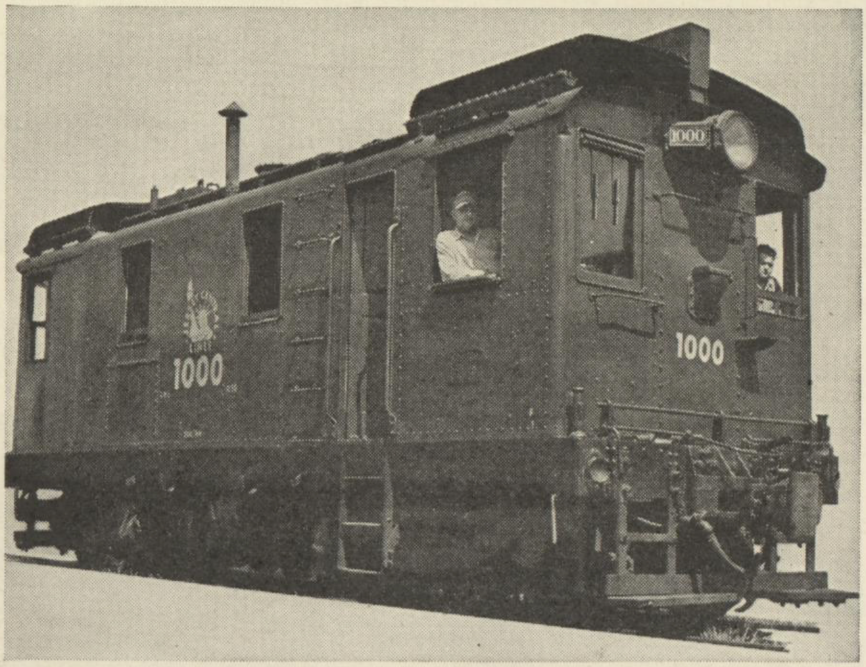


FIRST AUTOMATIC semaphore signal—low-voltage, motor-operated—ever used on any railroad in the world was the one shown above installed in 1893 on the Jersey Central's main line at Black Dan's Cut, near Phillipsburg, N. J. Its inventor, Mr. J. W. Lattig, received the medal of The Franklin Institute for a major contribution to the increased safety and speed of railroad service. Today a modern electric semaphore signal—faster in its action—stands at about the same spot.

FAMILIAR TO MANY of the present-day generation is the S. S. Sandy Hook—but not as she appears below. This picture was taken at Christiana Creek, Wilmington, Del., in 1889, just before she was delivered to the Jersey Central. Built by Harlan & Hollingsworth Company, she ran in commuter service first between New York and Sandy Hook, then between New York and the railroad's pier at Atlantic Highlands from 1889 to 1942 when she was taken over by the U. S. Government for World War II service. Early in 1947 she was sold by the railroad to a company that runs her in the summer season over her long-familiar New York-Atlantic Highlands route. The "Sandy Hook" burned in 1932 and was remodeled in more streamlined fashion later that year.



AMERICA'S first diesel-electric railroad locomotive was acquired and placed in service by the Jersey Central in 1925. Built by Ingersoll-Rand that year, CNJ numbered the 300-horsepower switcher "1000" and as late as 1949 she was still in daily service at the railroad's Bronx Terminal yard in New York City.

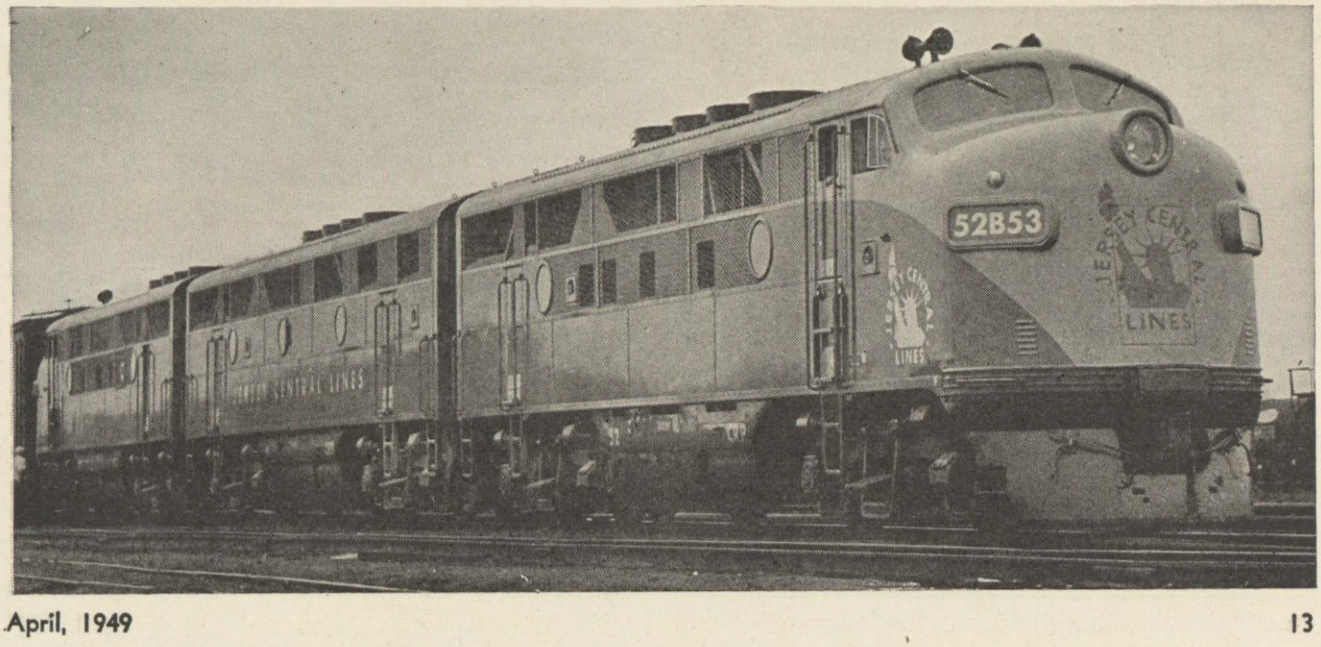


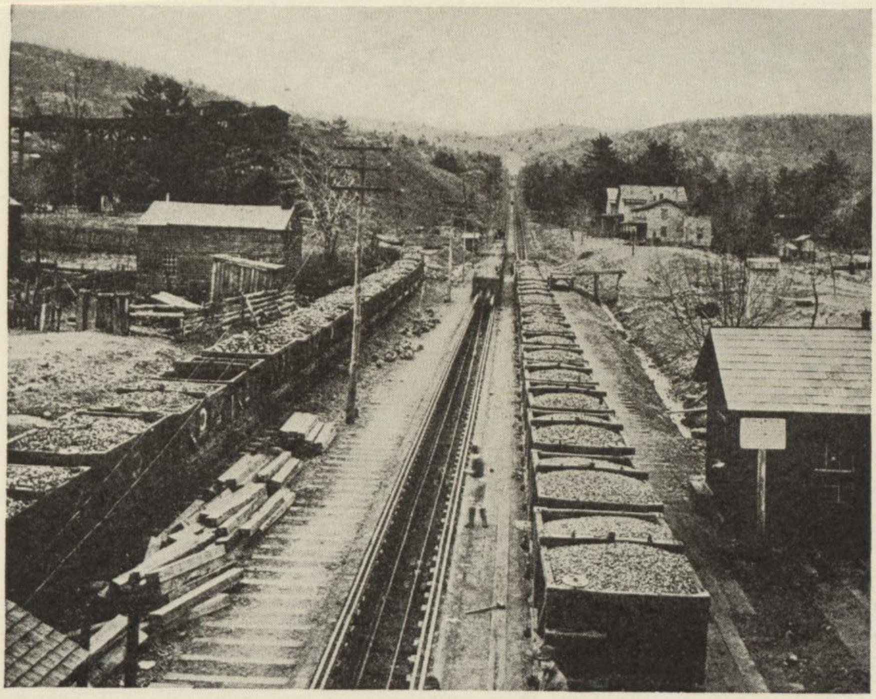
a distance of 2½ miles. The rise was 1,000 feet—a grade too steep for conventional motive power. The steepest grade was 14¾ per cent. During that time, as an alternate arrangement, freight trains wound 13½ miles over a section of the main line known as the "back track" between Ashley and Penobscot Yard, near the head of Ashley Planes. With the advent of modern diesel-electric power, JCL's huge 6,000-horsepower locomotives started to speed freight up the back track, relegating the historical Ashley Planes operation to a topic for rocking-chair reminiscence.

At Elizabethport, cross-roads of Jersey Central's heavy main-line and seashore traffic is RU Tower, one of the most modern traffic control towers in the country. There the tower operator has at his fingertips 200 buttons which actuate the various track switches and train signals governing this busy intersection.

As a train approaches, there appears on the panel a red line of light—the operator's cue to press the entrance and exit buttons which cause all of the

TYPICAL OF JERSEY CENTRAL LINES' most modern diesel-electric freight motive power is this 4,500-horsepower, double-end three-unit beauty. It consists of three 1,500-horsepower units—and the railroad operates as many as four of them at the same time on the business end of heavy freights.





THE FOOT of the No. 3 Plane at Ashley, Pa., looked like this about 1900. In upper left background is the old No. 8 breaker of the Lehigh & Wilkes-Barre Coal Co., which later became a washery known to many oldtimers as "Old Jersey." The small five- to seven-ton capacity cars in the foreground were known as coal "jimmies." Here, one "trip" of cars is on its way up the slope, while another waits on the adjacent track. The white blotch in the center background is steam from the engine house. The foot tenders' and car inspectors' shanty is in the right foreground.

switches and signals concerned to be set for the train's route. A procession of amber lights across the panel indicates this route, the lights changing to red while the train is passing, and then blinking out as the train passes beyond—a swift, sure, safe, up-to-the-minute method for controlling train movements.

These are just some examples of how Jersey Central Lines has pioneered in the use of modern railroad machines, equipment and methods. It has been through such improvements that the railroad has constantly improved its freight and passenger services.

But modern equipment, machines and methods would be worth little without the loyal men and women of Jersey Central Lines. At its birth in 1849, the Jersey Central had 71 employes and officers. Today it has a force of some 10,000.

Like their predecessors, today's employes and officers are the railroad. They are responsible for its achievements as they perform the many daily tasks so essential to the operation of a railroad. History proves that Jersey Central men and women have done a highly-successful job.

Yes, the Jersey Central's first 100 years were crammed with action and progress, and the "The BIG Little Railroad" family is determined that the railroad's progress will not diminish as it embarks on its second century.

CNJ's Top Management—1849-1949

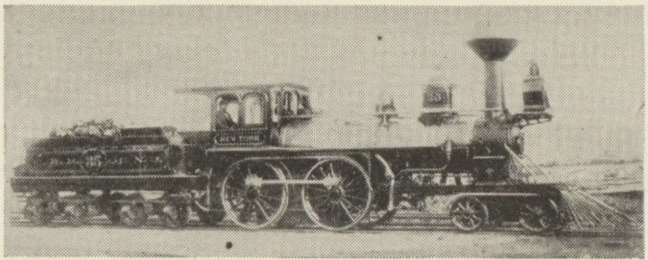
John Taylor Johnston, president, 1849-1876
Edward C. Knight, president, 1876-1877
F. S. Lathrop and H. S. Little, receivers, 1877-1883
H. S. Little, president, 1883
Philadelphia & Reading Railroad Company, lessees, 1883-1887
J. S. Kennedy and J. S. Harris, receivers, 1887
J. Rodgers Maxwell, president, 1887-1901
George F. Baer, president, 1901-1914
William G. Besler, president, 1914-1918
U. S. Railroad Administration, 1918-1920
William G. Besler, president, 1920-1926
Roy B. White, president, 1926-1933
Charles H. Ewing, president, 1933-1935
Edward W. Scheer, president, 1935-1939
Walter P. Gardner and Shelton Pitney,* trustees, 1939-
  Edward W. Scheer, chief executive officer, 1939-1943
  William Wyer, chief executive officer, 1943-1947
  Earl T. Moore, chief executive officer, 1947-

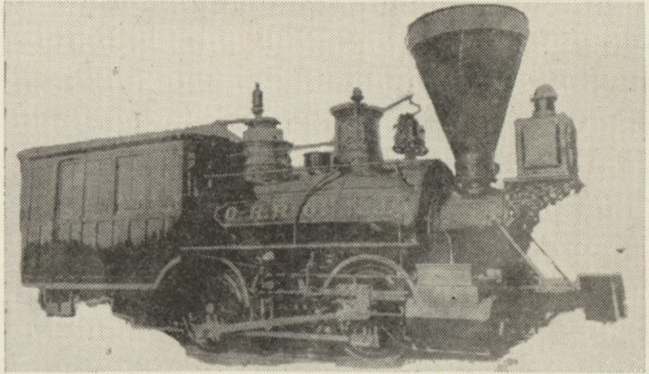
**deceased January 13, 1946*

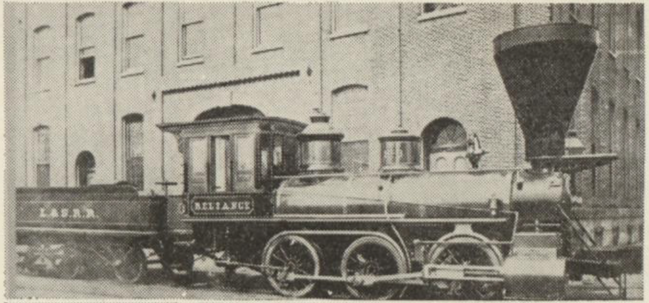
Down Through the Years . . .

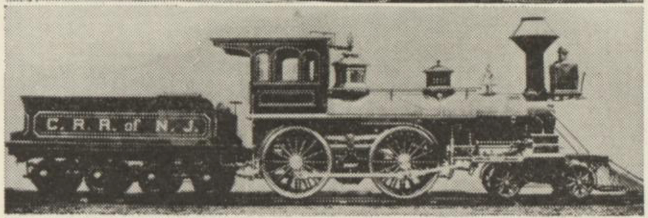
A few of the hundreds of locomotives that have found a place in a century of Jersey Central motive power are shown on the opposite page.

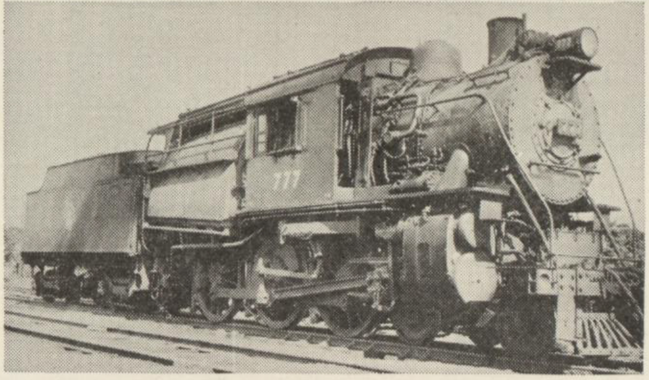
In left-hand column: (1) No. 35, "New York," passenger, built 1852. (2) No. 8, switch, built 1864. (3) No. 9, "Reliance," switch, built 1865. (4) No. 96, passenger, built 1868. (5) No. 777, passenger, built 1914. In right-hand column: (1) No. 40, "Morris," six-foot gauge freight locomotive, built 1862, for hauling coal and freight between Elizabethport and Hampton Summit for interchange with the DL&W Railroad which was a six-foot gauge line. A third rail was laid along CNJ between those two points to accommodate the traffic. (2) No. 502, freight, built about 1866. (3) No. 11, switch, built in 1867. (4) No. 385, passenger, built in 1892. (5) No. 2001, diesel-electric passenger, built 1946. Across bottom: No. 933, freight, built 1925.






L.&S.R.R.
RELIANCE


C.R.R. of N.J.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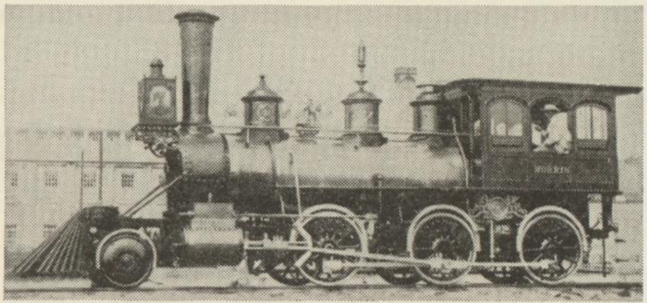

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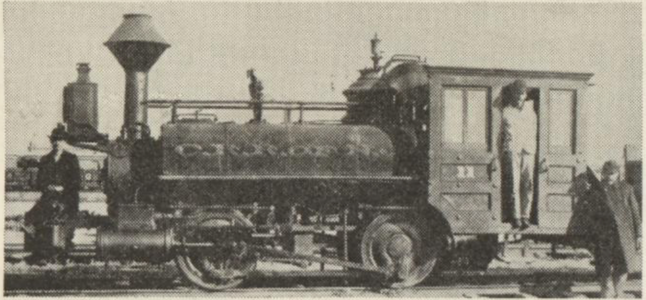
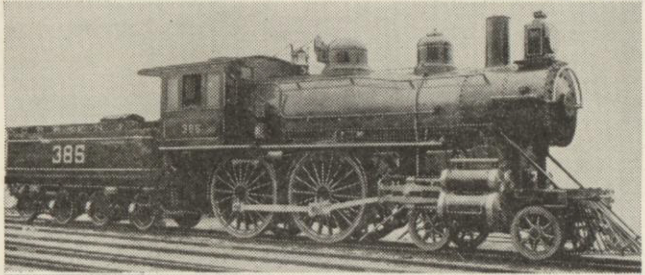
502

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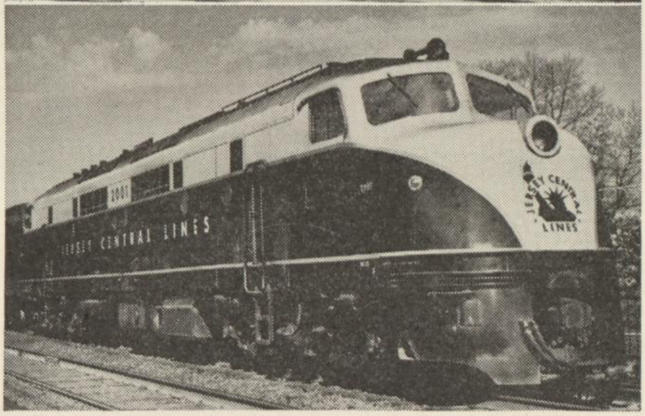
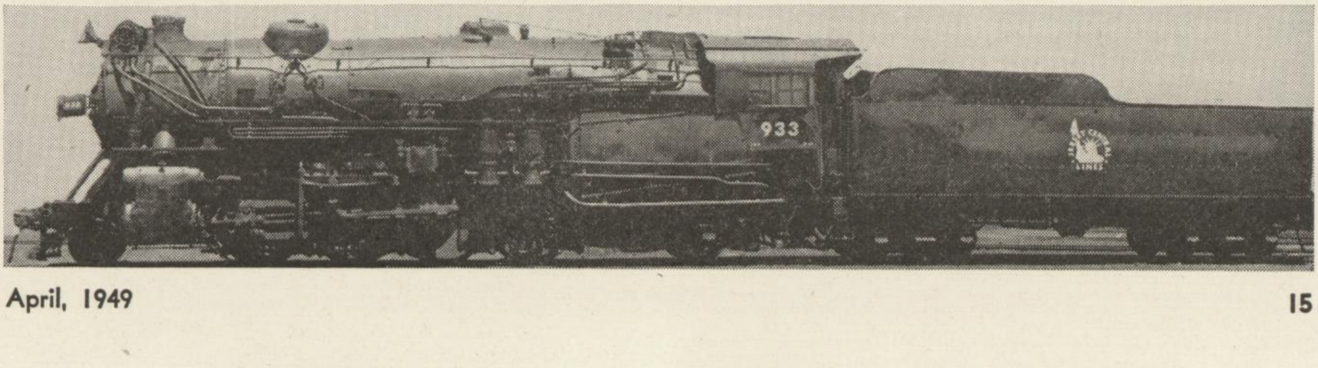
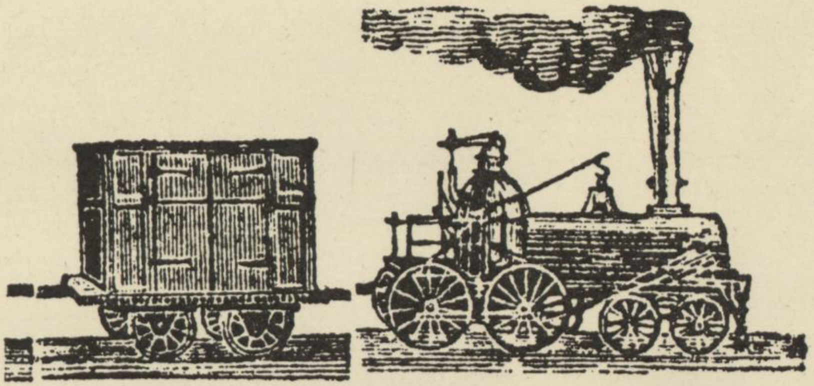

JERSEY CENTRAL LINES
JERSEY CENTRAL LINES

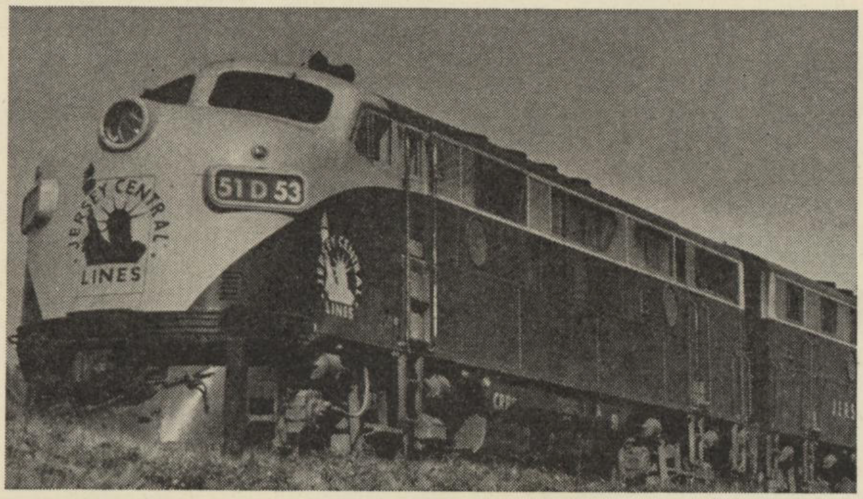

933
JERSEY CENTRAL LINES

100th ANNIVERSARY - - -



. . . 1849

One of CNJ's earliest heavy-duty locomotives weighed 18,000 pounds . . . .



1949 . . .

. . . . while a single unit of the road's 1949 diesel-electric freight locomotives weighs 230,000 pounds.

These historical highlights are adapted, in the main, from portions of a book-length history of the Jersey Central in course of preparation by **Mr. Joseph O. Osgood, Jr.,** certified public accountant, of New York City, son of the late Joseph O. Osgood, who was chief engineer of the railroad from 1901-1916. This pamphlet originally was published as a supplement to the April, 1949, issue of the "Coupler," the Jersey Central's monthly employe publication. Other assistance in the accumulation of text material and illustrations was generously provided by **Mr. Warren B. Crater,** Jersey Central Lines' locomotive engineer; **Mr. Walter A. Lucas,** of "Railway Age" magazine; **The Mariners' Museum,** Newport News, Va. for the picture of the "Phoenix," page 3, and **The New-York Historical Society,** New York City, for the pictures of the "Water Witch," page 4 and of John Taylor Johnston, page 6.

JERSEY CENTRAL
LINES

JERSEY CENTRAL
LINES

THE **BIG** LITTLE RAILROAD

ANNUAL REPORT

For the year ending December 31, 1948

Table of Contents

Financial Results for the Year 6
Condensed Consolidated Balance Sheet 7
1948—An Eventful Year 8
Freight Traffic 9
Lighterage, Carfloatage Divisions 9
Industrial Development 9
Passenger Traffic 12
Dieselization 13
Ashley Planes Discontinued 13
Terminal Operation Studies 14
Abandonments 14
Diesel-Electric Service and Repair Facilities 15
Passenger Coaches 15
Passenger Stations 16
Other Improvements 17
Wages and Salaries 17
Payroll Taxes 17
New Jersey and Federal Tax Claims 18
Real Estate Sales and Leases 18
Disposal of Properties to Effect Tax Savings 18
Elizabeth-Newark Meadow Properties 19
Bond Interest 19
Reorganization Proceedings 19
Public and Employe Relations 22

Financial Tables

The Central Railroad Company of New Jersey

General Balance Sheet . . . . 24 and 25
Income Account 26
Profit and Loss 27
Long Term Debt—Mortgage Bonds 27
Long Term Debt—Equipment Trust Obligation . . . 27
Long Term Debt—Conditional Purchase Contracts . . . 27

Central Railroad Company of Pennsylvania

General Balance Sheet . . . . 28 and 29
Income Account 30
Profit and Loss 31
Long Term Debt—Equipment Trust Obligations . . . 31
Long Term Debt—Conditional Purchase Contract . . . 31

Wharton and Northern Railroad Company

General Balance Sheet . . . . 32 and 33
Income Account 34
Profit and Loss 35
Long Term Debt—Conditional Purchase Contract . . . 35

Mount Hope Mineral Railroad Company

General Balance Sheet 36
Income Account 37

Securities, Jersey Central Lines

The Central Railroad Company of New Jersey . 38, 39 and 40
Central Railroad Company of Pennsylvania . . . 38 and 39
Wharton and Northern Railroad Company . . . 38 and 40
Mount Hope Mineral Railroad Company 38

(This report includes accounts and statistics for The Central Railroad Company of New Jersey, the Central Railroad Company of Pennsylvania, the Wharton and Northern Railroad Company, and Mount Hope Mineral Railroad Company, which are known collectively as the Jersey Central Lines. Tables dealing with the four railroads collectively are headed Jersey Central Lines, while those dealing only with the individual railroads are so designated.)

COVER ILLUSTRATION: At Pier 18, Jersey City, in the shadow of the Statue of Liberty, Car Rider William E. Moore is shown on one of the thousands of cars of coal dumped annually by the Central of New Jersey.

The Central Railroad Company of New Jersey

Corporate Directors

Roy B. White, *Chairman*
Revelle W. Brown
J. Hamilton Cheston
Goldthwaite H. Dorr
William V. Griffin
John W. Kress
William W. Rhoads
Russell L. Snodgrass
William I. Woodcock, Jr.

Executive Committee

Roy B. White, *Chairman*
Revelle W. Brown
J. Hamilton Cheston
Goldthwaite H. Dorr
William V. Griffin
*John W. Kress
*Effective January 19, 1949

Corporate Officers

Roy B. White........................Baltimore 1, Md.
Chairman of the Board

Charles L. Ewing...............New York 6, N. Y.
Vice President

William Kohler...................New York 6, N. Y.
Secretary and Treasurer

Alexander H. Elder.............New York 6, N. Y.
General Solicitor

General Offices

Central Building, 143 Liberty Street, New York 6, N. Y.

Registrar of Transfers

Central Hanover Bank and Trust Company,
70 Broadway, New York 15, N. Y.

Central Railroad Company of Pennsylvania

Directors

Percy A. Brown
James D. Carpenter, Jr.
Frank J. Cassidy
Edward J. Fox, Jr.
Walter P. Gardner
Horace Lehr
Earl T. Moore
Andrew J. Sordoni
J. L. Stackhouse
Arthur C. Tosh
Robert A. Young

Executive Committee

James D. Carpenter, Jr.
Walter P. Gardner
Earl T. Moore

Officers

Earl T. Moore...................New York 6, N. Y.
President

Arthur C. Tosh................Jersey City 2, N. J.
Vice President and General Manager in Charge of Operations and Maintenance

Don Y. Smith....................New York 6, N. Y.
Vice President in Charge of Freight Traffic

Ralph E. Thompson.............Jersey City 2, N. J.
Vice President in Charge of Accounting

William Kohler...................New York 6, N. Y.
Secretary and Treasurer

General Offices

Navigation Building, Mauch Chunk, Pa.

Wharton and Northern Railroad Company

Directors

Carl W. Badenhausen
Ludwig R. Dohm
Walter P. Gardner
William Kohler
Judson C. McLester, Jr.
Earl T. Moore
Arthur C. Tosh

Officers

Earl T. Moore..................New York 6, N. Y.
President

Ludwig R. Dohm................New York 6, N. Y.
Vice President

Arthur C. Tosh................Jersey City 2, N. J.
Vice President in Charge of Operations

Don Y. Smith...................New York 6, N. Y.
Vice President in Charge of Freight Traffic

Ralph E. Thompson.............Jersey City 2, N. J.
Vice President in Charge of Accounting

William Kohler..................New York 6, N. Y.
Secretary and Treasurer

General Offices

Terminal Building, Jersey City 2, N. J.

Mount Hope Mineral Railroad Company

Directors

Ludwig R. Dohm
Walter P. Gardner
Judson C. McLester, Jr.
Earl T. Moore
Ralph E. Thompson
Arthur C. Tosh
Thomas R. Walker, Jr.

Officers

Earl T. Moore..................New York 6, N. Y.
President

Ludwig R. Dohm................New York 6, N. Y.
Vice President

Arthur C. Tosh................Jersey City 2, N. J.
Vice President in Charge of Operations

Don Y. Smith...................New York 6, N. Y.
Vice President in Charge of Freight Traffic

Ralph E. Thompson.............Jersey City 2, N. J.
Vice President in Charge of Accounting

William Kohler..................New York 6, N. Y.
Secretary and Treasurer

General Offices

Terminal Building, Jersey City 2, N. J.

JERSEY CENTRAL LINES
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JERSEY CENTRAL LINES

The Central Railroad Company of New Jersey

WALTER P. GARDNER, *Trustee*

JAMES D. CARPENTER, JR., *Counsel for the Trustee*

General Offices

Terminal Building, Jersey City 2, N. J.

EARL T. MOORE, *Chief Executive Officer*

Judson C. McLester, Jr. *Chief Law Officer*	New York 6, N. Y.
Alexander H. Elder *General Solicitor*	New York 6, N. Y.
*William F. Hanlon *General Attorney*	New York 6, N. Y.
*John J. McEhlinny *General Attorney*	New York 6, N. Y.
Arthur C. Tosh *Chief Operating Officer*	Jersey City 2, N. J.
Norton P. Willis *Superintendent Transportation*	Jersey City 2, N. J.
George H. Massy *Superintendent Motive Power and Rolling Equipment*	Elizabethport 1, N. J.
**George C. Wilms, Jr. *Assistant Superintendent of Motive Power and Rolling Equipment*	Elizabethport 1, N. J.
Thomas E. MacMannis *Engineer Maintenance of Way*	Jersey City 2, N. J.
Fred W. Bender *Signal Engineer*	Jersey City 2, N. J.
Raymond W. Keller *Electrical Engineer*	Jersey City 2, N. J.
Don Y. Smith *Chief Traffic Officer (Freight)*	New York 6, N. Y.
Thomas H. Irwin *Freight Traffic Manager*	New York 6, N. Y.
John F. Hourigan *Freight Traffic Manager*	New York 6, N. Y.
Richard J. Sullivan *Assistant Freight Traffic Manager*	New York 6, N. Y.
Ralph E. Thompson *Chief Accounting Officer*	Jersey City 2, N. J.
Fred E. Gregg *Comptroller*	Jersey City 2, N. J.
Philip M. Kelly *Assistant Comptroller*	Jersey City 2, N. J.
William Kohler *Secretary and Treasurer*	New York 6, N. Y.
Harry M. Sanderson *Assistant Secretary and Assistant Treasurer*	New York 6, N. Y.
**Robert E. Teston *Assistant Secretary and Assistant Treasurer*	New York 6, N. Y.
Sydney L. Mapes *Chief Engineer*	Jersey City 2, N. J.
Albert M. Zabriskie *Consulting Engineer*	Jersey City 2, N. J.
Bernard J. Minetti *Bridge Engineer*	Jersey City 2, N. J.
Espy A. Workman *Purchasing Agent*	New York 6, N. Y.
Philip M. Parker *Property Manager*	Jersey City 2, N. J.
Russell C. Slack *Real Estate Agent*	Jersey City 2, N. J.
Ennett J. Goodale *Valuation Engineer*	Jersey City 2, N. J.
Harry E. Yerkes *Passenger Traffic Manager*	New York 6, N. Y.
Edwin L. Tomlinson *General Passenger Agent*	New York 6, N. Y.
Thomas F. Clarkin *Assistant General Passenger Agent*	New York 6, N. Y.
Ira Goldowsky, M.D. *Medical Director*	Jersey City 2, N. J.
Joseph T. Sullivan *Director of Information*	Jersey City 2, N. J.

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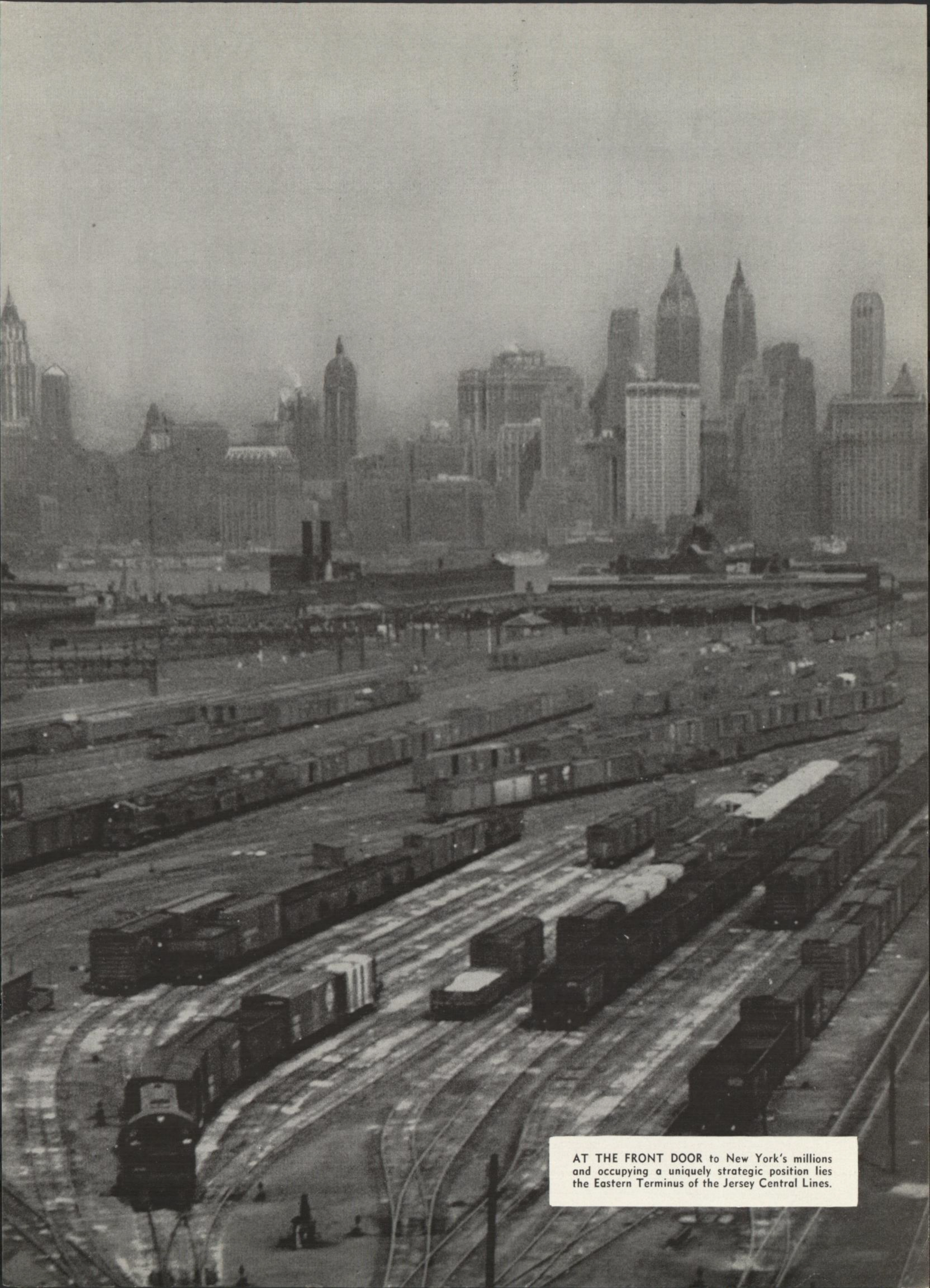
*Effective April 16, 1949.
**Effective March 1, 1949.



AT THE FRONT DOOR to New York's millions and occupying a uniquely strategic position lies the Eastern Terminus of the Jersey Central Lines.

Jersey Central Lines

The Central Railroad Company of New Jersey
Central Railroad Company of Pennsylvania

Wharton and Northern Railroad Company
Mount Hope Mineral Railroad Company

Financial results for the year

	In 1948	In 1947
The Lines received from freight, passenger and miscellaneous operation, a total income of	$64,061,811	$56,106,077
The cost of maintaining the property and operating the Lines was	50,460,337	46,001,133
Leaving a balance from railroad operations of	$13,601,474	$10,104,944
Federal, State and Local taxes required	5,583,999	5,692,477
Leaving a balance of	$ 8,017,475	$ 4,412,467
The Lines paid to other companies for hire of equipment and use of joint facilities in excess of the amount received by them from these sources	511,248	1,077,007
Leaving a net railway operating income of	$ 7,506,227	$ 3,335,460
Other income derived from investments in stocks, bonds and miscellaneous items was	970,096	1,145,200
Making a total income of	$ 8,476,323	$ 4,480,660
Interest on equipment trust certificates and funded debt, rents paid for leased railroads and miscellaneous deductions totaled	5,038,387	4,999,307
Resulting in a net of (excluding special items below)	$ 3,437,936	*$ 518,647*

For the purpose of providing a more informative comparison between 1948 and 1947 operating results, the following substantial non-recurring debits and credits to the income account are not included in the foregoing figures for the year 1948:

	Debits	Credits
Debit involving expenditure of cash:		
Tax payment to State of New Jersey in settlement of tax claims covering prior years	$ 9,307,225	$
Debits and credits resulting from bookkeeping entries not involving cash:		
Retirement of Newark Branch and Shrewsbury River Drawbridge	494,944	
Retirement of property conveyed to Jersey City	270,683	
Cancellation of taxes in connection with conveyance of property to Jersey City		812,927
Cancellation of self insurance reserve		1,170,401
Total	$10,072,852	$ 1,983,328
Net	$ 8,089,524	

This statement includes property and equipment depreciation charges of $2,491,000 based on *original costs* as prescribed by I.C.C. These charges do not provide sufficient funds for the replacement, at present day costs, of the properties and equipment as they wear out. We would have to take $2,770,000 additional out of our 1948 net income to fully provide for wear and tear at current replacement costs.

Jersey Central Lines

The Central Railroad Company of New Jersey
Central Railroad Company of Pennsylvania
Wharton and Northern Railroad Company
Mount Hope Mineral Railroad Company

Condensed Consolidated Balance Sheet

(Inter-Company Items Eliminated)

Assets	December 31, 1948	December 31, 1947	Increase *or Decrease*
Investment in land, railroad tracks, terminal facilities, shops, locomotives, freight and passenger cars and other fixed property	$172,224,435	$171,653,148	$ 571,287
Less depreciation and amortization	46,755,436	46,472,492	282,944
Investment in transportation property less depreciation and amortization	125,468,999	125,180,656	288,343
Investment in stocks, bonds, notes of affiliated companies and other investments	13,659,053	20,196,767	*6,537,714*
Capital and reserve funds, maintenance funds and miscellaneous physical properties	3,237,183	6,133,330	*2,896,147*
Total Investments	$142,365,235	$151,510,753	*$ 9,145,518*
Cash and special deposits	$ 6,439,358	$ 7,293,643	*$ 854,285*
Temporary investments in U. S. Government bills and certificates of indebtedness	2,585,429	3,083,250	*497,821*
Other railroads and others owed the Lines	9,974,208	10,292,287	*318,079*
Fuel, rails, ties, bridge material and other supplies necessary for keeping road and equipment in good order . . .	4,649,210	4,062,088	587,122
Deferred assets and unadjusted debits including items owed to but not yet available to the Lines	4,062,979	20,573,459	*16,510,480*
Grand Total	$170,076,419	$196,815,480	*$ 26,739,061*

Liabilities			
Capital Stock	$ 27,487,500	$ 27,487,500	
General mortgage bonds and equipment obligations . .	60,585,611	57,634,085	$ 2,951,526
Amounts owed for materials, supplies, wages and balances to other railroad companies and others, and interest and rents accrued but not due	11,395,093	11,908,259	*513,166*
Taxes accrued but not due	855,893	1,963,516	*1,107,623*
Reserve for insurance and deferred maintenance . . .	356,925	1,610,064	*1,253,139*
Interest in default on bonds	16,706,835	21,495,254	*4,788,419*
Deferred liabilities including items due to others, but not yet adjusted	1,382,853	16,910,126	*15,527,273*
Surplus	51,305,709	57,806,676	*6,500,967*
Grand Total	$170,076,419	$196,815,480	*$ 26,739,061*

1948 — An Eventful Year

The year 1948 saw many significant developments with respect to your four railroads—The Central Railroad Company of New Jersey, Central Railroad Company of Pennsylvania, Wharton and Northern Railroad Company and Mount Hope Mineral Railroad Company. The highlights of this eventful year were:

Settlement by the Central of New Jersey with the State of New Jersey of tax claims for the years 1932 to 1940.

A start on the payment of interest, which had been accruing since 1939, on Central of New Jersey General Mortgage Bonds.

Development of a Plan of Reorganization for the Central of New Jersey, which was approved early in 1949 by the Interstate Commerce Commission.

Further Dieselization on the four railroads, with savings in operating costs.

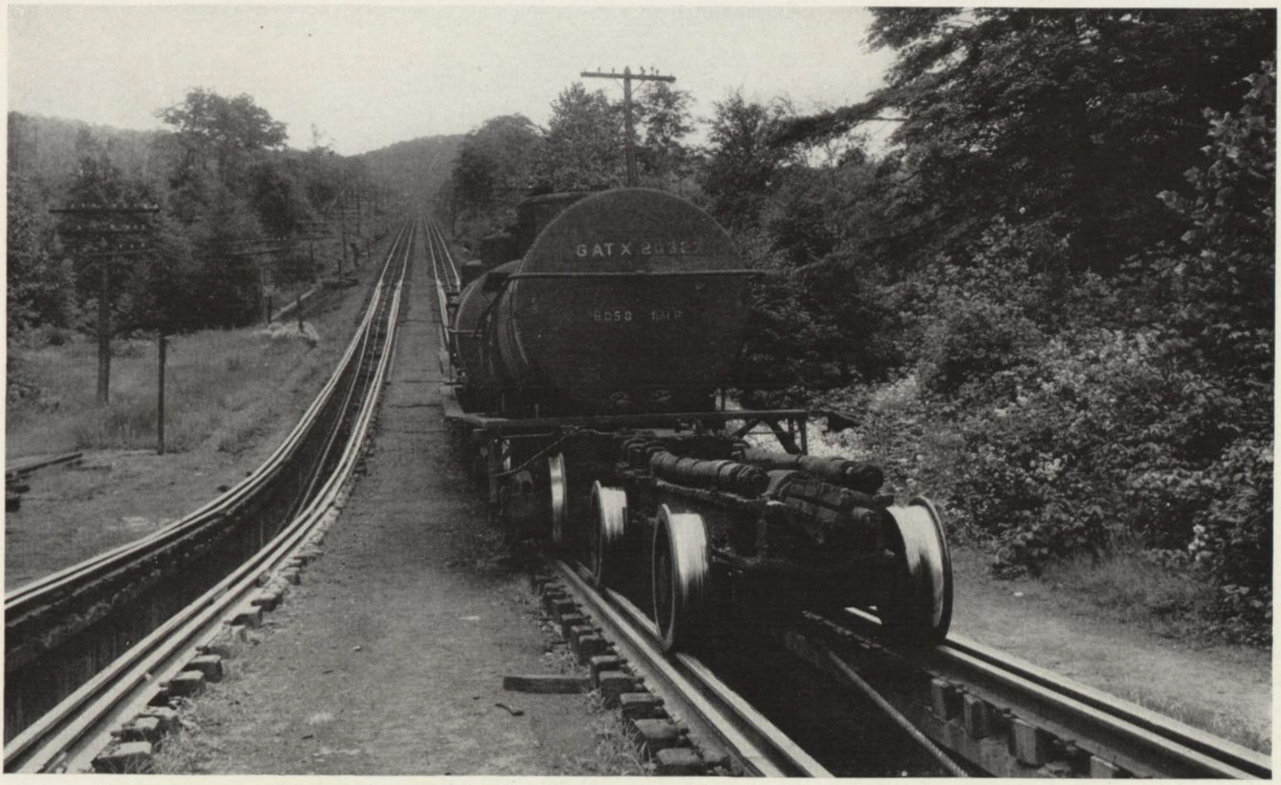
Discontinuance of operations over the Central of Pennsylvania's Ashley Planes at a substantial saving in operating costs.

Cessation of unprofitable passenger service on the Central of New Jersey's Newark-New York Branch.

Proceedings before the Interstate Commerce Commission and the New Jersey Public Utilities Commission by the Central of New Jersey which led to the granting of commutation fare increases in 1949.

The conveyance of unneeded waterfront and terminal property to Jersey City, which will result in annual tax savings of about $250,000.

The granting of an order by the Interstate Commerce Commission, in the proceeding instituted by the Central of New Jersey, increasing the allowances for performing lighterage and carfloatage services in New York Harbor.



The first of three stages of the inclined cable railway known as Ashley Planes. For 105 years the Planes provided the fastest and most economical means of transporting freight over Blue Mountain in Pennsylvania. Heavy road Diesel-electric locomotives supplanted this unique operation during 1948.

Freight Traffic

On August 21, 1948, the last of a series of increases in freight rates, designated as Ex Parte 166, became effective. The several progressive freight rate increases in this proceeding were approximately as follows:

Effective Date	*Merchandise with Some Exceptions*	*Coal, per Ton*
October 13, 1947	10%	10c
January 5, 1948, increased to .	20%	20c
May 6, 1948, increased to . .	30%	20–30c
August 21, 1948—	Slight adjustments in previous interim general increases	

These rate increases produced additional revenue of approximately $8,500,000 in 1948 and on an annual basis, with 1948 traffic volume, would amount to approximately $9,800,000.

As the result of further increases in material and wage costs all railroads petitioned the Interstate Commerce Commission for further increase in freight rates. The original petition of October 1, 1948, asking for a general increase of approximately 8%, was supplemented on October 12 to bring the total increase sought to 13%. An interim increase of approximately 6%, authorized by the Interstate Commerce Commission, became effective January 11, 1949, and the Commission is continuing hearings for final determination of the railroads' petition. Traffic volume for 1949 is uncertain but if the total traffic for the year should be about 10% less than 1948, this 6% interim increase in freight rates would produce additional revenue of about $2,900,000.

Lighterage, Carfloatage Divisions

On October 11, 1948, the Interstate Commerce Commission ordered a change in the division of the through freight rates to provide an increase in the allowance for lighterage and carfloatage services performed by New York Harbor lines. All of the New York Harbor lines except the New York Central Railroad took the necessary steps to comply with this order, effective January 5, 1949.

The New York Central Railroad and other carriers party to the proceeding, other than New York Harbor lines, filed a petition with the Interstate Commerce Commission asking for reconsideration. By a series of orders the Commission deferred the effective date, first to January 21 and later to February 11. On February 8 the Commission ordered that the effective date be deferred pending reconsideration of the case following reargument on April 25.

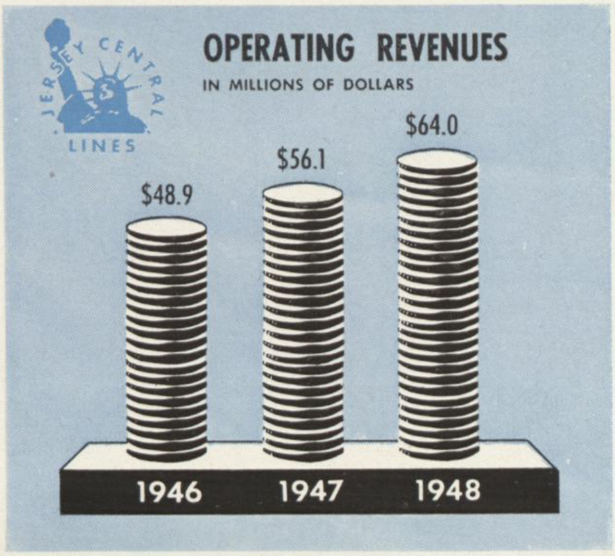
The Commission order of October 11, 1948, temporarily suspended, provided for increased divisions which would produce net increased revenues to the Jersey Central Lines amounting to approximately $325,000.

Industrial Development

Our Industrial Department was successful in having 64 new industries locate along the Jersey Central Lines during 1948. Sixty of these concerns are expected to produce an annual volume of 7,124 carloads, while the potential traffic yield of the remaining four companies still is undeterminable.

In addition, 11 industries already established along the lines of your railroads instituted plans to expand their plant facilities. An additional volume of 1,500 carloads annually is expected to materialize as a result of this activity.

During 1948, a total of 12 firms, with an aggregate annual volume of 2,568 carloads, either dissolved or removed their operations from locations along the Jersey Central Lines. As a result, we had a net gain of 52 industries with a potential annual yield of 4,559 carloads of freight.



Jersey Central Lines

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JERSEY CENTRAL LINES

FREIGHT (INCOME $55,488,477)
(OUTGO 42,603,079) **PROFIT $12,885,398**

Jersey Central Lines

2001
JERSEY CENTRAL LINES
JERSEY CENTRAL LINES

PASSENGER (INCOME $ 8,573,334)
(OUTGO 19,674,283) **LOSS $11,100,949**

Passenger Traffic

The Interstate Commerce Commission and the several State utility commissions granted Eastern railroads a 20% increase in coach fares and a 14.3% increase in parlor car rates, effective July 19, 1948. Because of a downward trend in passenger travel, beginning in April 1948 and continuing throughout the year, our 1948 gross revenue from these fares increased by only $74,000 as compared with the previous year.

On June 4, 1948, the Central of New Jersey filed new commutation fare tariffs with the Interstate Commerce Commission and the New Jersey Board of Public Utility Commissioners providing for an increase in commutation fares, designed to produce approximately $925,000 of additional revenue, representing the increases in out-of-pocket costs related to this service, occurring subsequent to the cost study underlying the last commuter fare increases effective September 21, 1947.

The extended proceedings before the commissions were finally concluded with oral argument before the full Interstate Commerce Commission on February 21, 1949. Both Commissions issued identical orders authorizing increases in commuter fares equivalent to a weighted average of 18.2%. These new fares were placed in effect on March 27, 1949, and should produce increased gross revenues of slightly more than $500,000 a year, based on 1947 commuter traffic volume.

We told the public our reaction to the commissions' decisions, through newspaper advertisements, as follows:

"We asked for less than the cost of the service furnished, and we have received less than we asked for. We hope we can work it out somehow so that the increase will not turn out to be 'too little and too late.' However, you can depend on us to do our best with what we have.

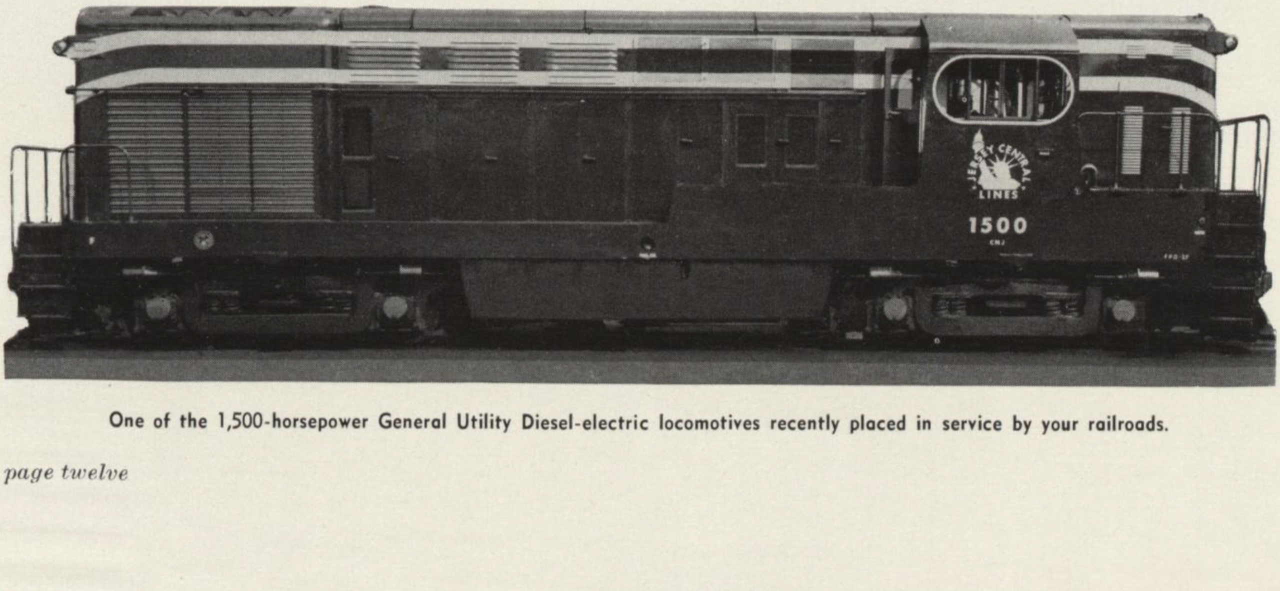
"With peak commuter traffic for only a few hours morning and evening, five days a week, the extensive facilities this traffic requires are in use less than one-fifth of the available time. Every businessman will appreciate what it means to use a plant to capacity less than 20% of the time.

"And it should be remembered that our lowest rates apply to the traffic handled during the hours of peak demand. This situation is the opposite of that of such public utilities as telephones, electricity—even theatres—whose charges are highest when demand is greatest.

"Despite these economic handicaps, we constantly try to provide better service at all hours. You'll help us by also making use of the Jersey Central train service at other than peak commuter hours. You'll enjoy riding behind the smooth Diesel-electric locomotives we have recently added and you'll like our colorful 'new look' coaches which are operating in increasing numbers. We are sure that members of your family will find the Jersey Central a convenient, comfortable and dependable way to travel."

The following statistics indicate that the unfavorable trend in losses from passenger operations is continuing:

	1948	*1947*
Commuter fares	$ 3,604,175	$ 3,147,461
Other fares	3,096,177	3,022,261
Express revenue	708,723	656,618
U.S. Mail revenue...	493,612	391,325
Other revenue	670,647	722,751
Total	$ 8,573,334	$ 7,940,416
Expenses, taxes and fixed charges allocated to passenger operations	19,674,283	17,404,085
Loss	$11,100,949	$ 9,463,669
Ratio of commuter passengers to total passengers	65%	64%



One of the 1,500-horsepower General Utility Diesel-electric locomotives recently placed in service by your railroads.

Dieselization

During August 1948, we placed an order with Fairbanks, Morse & Co. for 14 units of 1,500-horsepower Diesel-electrics. This type locomotive is adapted for light freight, passenger and general switching purposes. They all have been received and are in service except two which were damaged in transit before they reached our line and had to be returned to the manufacturer for repairs.

During the last half of 1948 we also received three 2,000-horsepower passenger Diesels and 15 units of road freight Diesels of 1,500-horsepower each.

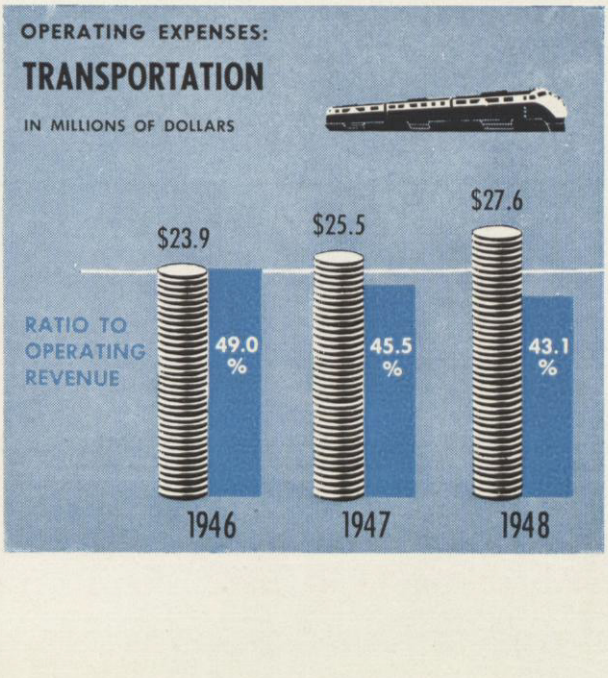
Our Diesel-electric fleet now consists of—

Number of Units	*Horsepower*	*Class*
30	1500	Heavy Road Freight
6	2000	Road Passenger
12	1500	General Utility
12	1000	Switcher
6	660	Switcher
12	600	Switcher
1	300	Switcher

The general progress and the degree of Dieselization is reflected in the following statistics:

	Handled by Diesel-Electrics — during February —	
	1949	*1948*
Freight Gross Ton Miles	76%	38%
Passenger Car Miles . . .	*31%	20%
Yard Engine Hours	48%	39%

*This will be increased to more than 40% by midsummer when all of the 1,500-horsepower General Utility Diesels are in service.



The Dieselization program now in effect has made it possible to discontinue Phillipsburg, N. J., as an engine terminal with a reduction in operating expenses of about $65,000 per year and to convert Raritan, N. J., from a steam to a Diesel locomotive terminal with a saving of approximately $25,000 per year. We have also eliminated all helper service between Phillipsburg-Hampton; Raritan-Hampton and on the High Bridge Branch at a saving of about $385,000 per year.

Studies are being continued with the objective of further Dieselization.

Ashley Planes Discontinued

On July 1, 1948, after 105 years of continuous service, the unique cable railway known as Ashley Planes ceased operations. The Ashley Planes consisted of three stages of inclined planes over which cars were pulled by wire rope cables, with power supplied by stationary steam engines at the top of each slope. The three separate planes were 5,000, 3,000 and 3,700 feet in length, with 1,320 feet of connecting track between the Planes or a total overall length of 13,020 feet. The average rise per 100 feet varied from 5.7 feet for the lower Plane to 14.65 feet for the middle one, with a total rise of 1,013.75 feet from base under Main Street, Ashley, Pa., to the summit at Solomon's Gap. The three separate power plants, located at the summit of each plane, consisted of a boiler plant supplying steam for a 1,200-horsepower vertical steam engine, having two cylinders of 40-inch diameter and 48-inch stroke connected with gears to two large drums 22 feet in diameter, used as reels for the 2½-inch steel wire rope which pulled the loaded cars up the slope.

The all-rail route over which locomotives operate between Ashley and Solomon's Gap, consists of 12.47 miles of railroad, with about five miles of double track and the remainder single track, as compared with the Planes distance of 2.47 miles.

The Planes, with no material changes or improvements since they were first constructed in 1843, were the most economical means of transporting railroad cars, loaded with coal and freight, over the westerly slope of Blue Mountain, until the advent of the Diesel-electric locomotive.

Since July 1, 1948, four-unit, 6,000-horsepower Diesel-electrics have been moving the freight tonnage, formerly handled on the

Here is a four-unit, 6,000-horsepower Diesel-electric locomotive moving freight, formerly handled via Ashley Planes, up the steep "Back Track" rail route over Blue Mountain in Pennsylvania.

Planes, via the "Back Track" rail route up the mountain, at an annual saving of about $250,000 as compared with the cost of Planes operation. This is a significant instance of the changes and economies in operation which Diesel-electric locomotives have made possible.

Terminal Operation Studies

The studies by the Port of New York Authority, instituted by the New Jersey State Administration, involving possible changes in passenger handling facilities on the Central of New Jersey and other railroads in the Newark-New York area, are approaching a conclusion and it is expected that a final report will be completed within a few months.

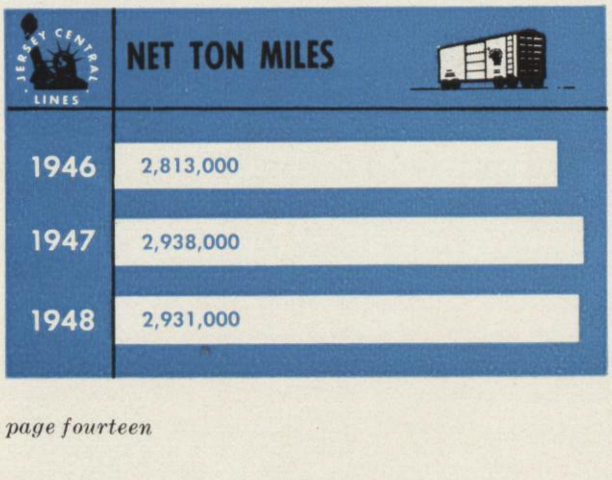
It is impossible to express any opinion as to the feasibility of this project, or its possible effect upon the Central of New Jersey until this final report has been completed.

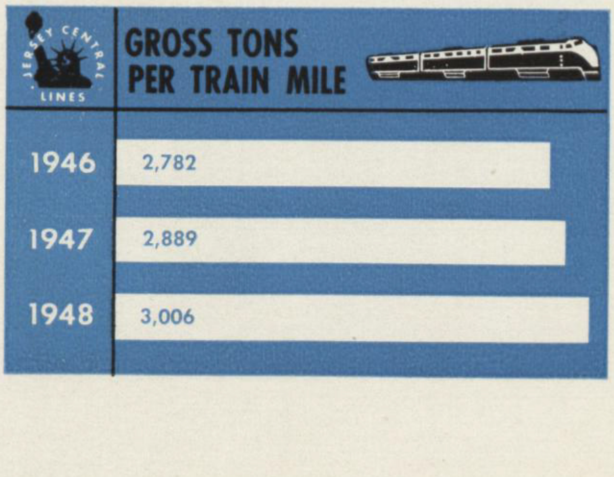
Studies for the construction of a large westbound retarder-operated hump yard at Allentown, on the Central of Pennsylvania, are about completed and steps will be taken to obtain Federal Court approval. This project will involve an expenditure in excess of $3,000,000. In addition to substantial operating economies, these facilities will expedite the handling of traffic and improve our service to the public.

Abandonments

The Central of New Jersey on May 6, 1948, officially abandoned the part of its Newark-New York Branch between Communipaw Avenue Station, Jersey City, and Kearny, N. J.

The authority for the abandonment was given by the Interstate Commerce Commission after





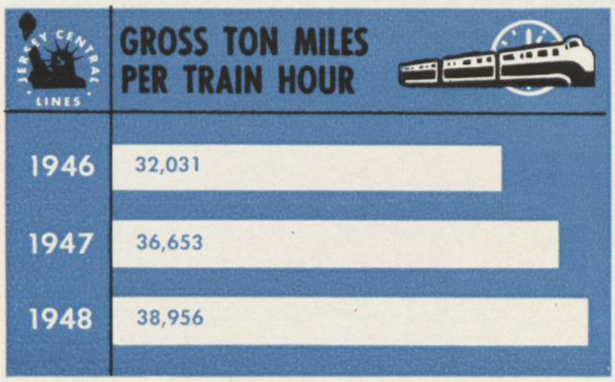
hearings at which it was established that operation of this segment of the branch had resulted in out-of-pocket losses of from $79,000 to $149,000 annually because of a decline in the number of passengers using it and because of rising taxes and costs of operation.

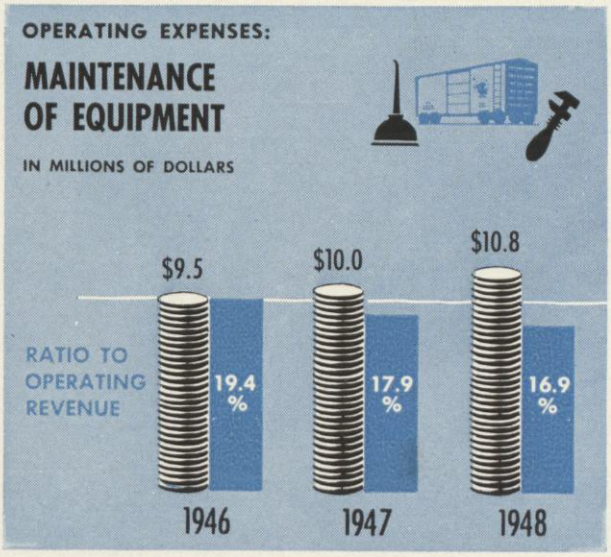
The abandonment of this part of the line, which was opened for operation in 1869 and which was termed the costliest railroad at the time it was constructed, does not affect either passenger or freight service between Newark and Kearny, or freight services rendered industries located anywhere along the line, including the portion of the line abandoned. A single industrial track is being maintained for freight service on the Jersey City part of the abandoned branch.

During 1948, the I.C.C. also authorized the abandonment of an approximate one-mile section at the end of the Central of New Jersey's Seashore Branch running between Highlands and Sandy Hook, N. J. This short section was used exclusively for freight operations to serve Fort Hancock on Sandy Hook. The abandonment was made necessary because of the deteriorated condition of our drawbridge over the Shrewsbury River. Repairs to the bridge would have involved an expenditure of more than $250,000, which is far in excess of what could be justified by any present or prospective freight traffic.

Diesel-Electric Service and Repair Facilities

The new facilities for maintenance of Diesel-electric locomotives, under construction in the easterly end of our Locomotive Erecting Shop at Elizabethport, N. J., at an estimated cost of $850,000, are progressing, with present indications that these new and modern facilities will be completed by the end of the year.





Thirty-two thousand square feet, approximately one-third of the Erecting Shop, is being reconstructed and equipped for Diesel locomotive maintenance. This area will be served by four tracks, each of sufficient length to handle a three-unit Diesel locomotive, with inspection and repair pits, repair platforms and a 100-ton drop table for the removal of trucks and wheels. Complete repairs to electric traction motors and generators will be handled in new quarters being provided in a section of the adjacent Electric Repair Shop.

Diesel servicing facilities also are under construction at Bethlehem, Penobscot and Ashley on the Central of Pennsylvania.

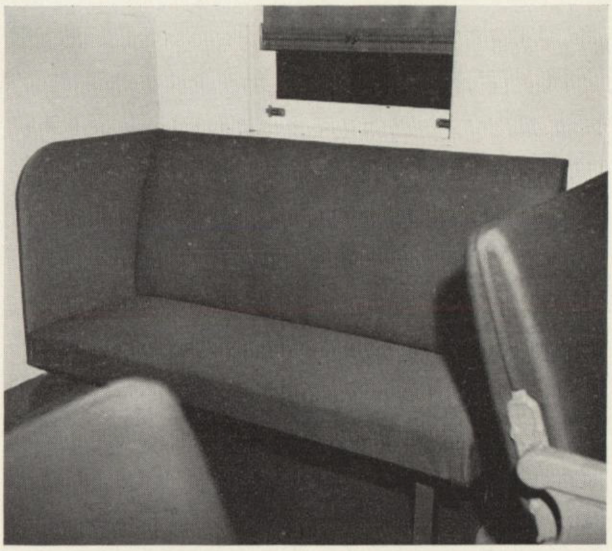
Passenger Coaches

A "New Look" is being applied to the interior of our passenger coaches. The color scheme—sea-green and beige—and other interior innovations were chosen by the public during the exhibition of four sample coaches, each containing a different styling, at principal stations along our lines in New Jersey.

Almost 10,000 people inspected the sample coaches and voted for their favorite "New Look."

In addition to the new color scheme, the coaches also are being equipped with nylon seat upholstery, more comfortable end-seats, stainless steel wainscoting, plastic-coated window shades, and fixtures that vastly improve lighting.

The modernized coaches are being turned out of our Elizabethport, N. J., shops at the rate



New end-seat arrangement in our modernized passenger coaches.

of four or a five a month, and at present more than 20 are in daily service. The program is a long-range one, and we expect to have all of the coaches modernized during the normal repair cycle of about eight years.

Materials for the "New Look" coaches were carefully selected so that any slight increase in costs as compared with old-style materials would be offset by reduced maintenance costs.

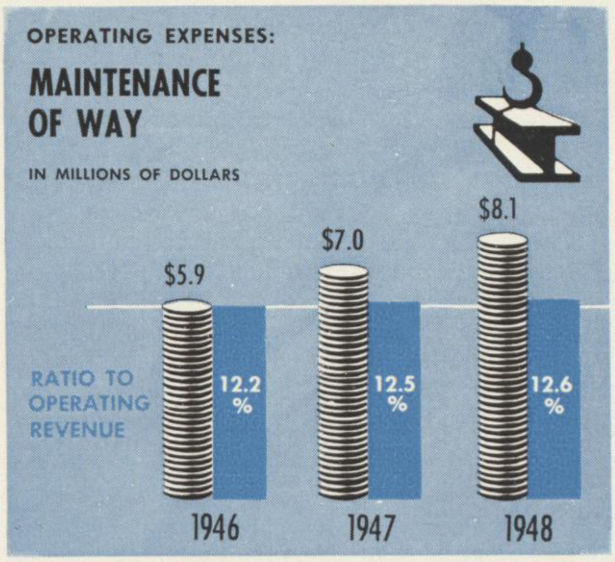
Passenger Stations

During 1948 modernization of our busy passenger station at West Eighth Street, Bayonne, N. J., was completed at a cost of about $32,500 and it was formally opened on September 15 at ceremonies attended by city officials and civic leaders.

The station now has vitreous enameled walls, an acoustical tile ceiling of blue and gray; magnesite terrazzo flooring in red and gray; washrooms increased in size with new fixtures in beige, green and tan; concealed fluorescent lighting; a new ticket office with aluminum facing and new style radiators entirely concealed in the walls.

The materials used in modernizing the station, which is of stone construction with very attractive outside appearance, are designed to provide a brighter atmosphere, better lighting and modern conveniences. These improvements are designed to provide a clean, attractive station, with a reduction in future maintenance costs sufficient to justify the cost of modernization.

Below:
Interior view of the modernized passenger station at West Eighth Street, Bayonne, N. J.



Other Improvements

The program of substituting automatic gates for manual protection at grade crossings is continuing .

The cab signaling installed on the single track line between Red Bank and Lakehurst, N. J., is being modernized to permit train operation by signal indication without use of train orders.

Interlocking plants at Franklin Junction, near Wilkes-Barre, Pa., and Phillips Street, Jersey City, N. J., are being rebuilt and modernized.

Interlockers at Linden Street, Allentown, Pa., on the Allentown Terminal Railroad, and at Bloomsbury and Lorraine, N. J., will be discontinued and removed.

Separate interlockers at West Allentown, Pa., Elizabeth River and Spring Street, Elizabeth, N. J., and Communipaw (Jersey City), N. J., will be discontinued and the functions which have to be retained will be operated by remote control from adjacent interlockers.

It is anticipated that work on a grade-crossing elimination at Port Reading, N. J., ordered by the State Public Utilities Commission, will start this year and be completed in 1950 at a total estimated cost of $1,307,000, of which the Central of New Jersey and the Reading Company will each pay seven and one-half per cent.

Four new three-track, 17-car capacity, all-steel carfloats now are being built by the Bethlehem Steel Company at Staten Island, N. Y., and will be delivered this year.

Wages and Salaries

The trend of increasing demands from Organizations for increased wages, rules and working conditions, producing increased costs, continued throughout 1948 and into 1949.

On April 10, 1948, Organizations representing non-operating employes filed their demands for a 40-hour work week with 48 hours' pay; time and one-half for Saturday, Sunday and holiday work and, in addition, a 25c hourly wage increase. The final outcome of this proceeding was an agreement reached with the aid of an Emergency Board for an increase of 7c per hour, retroactive to October 1, 1948. Also effective September 1, 1949, a 40-hour work week with the same pay as was in effect for 48 hours. There are many complications in adjusting the railroad employment pattern to a 40-hour week but the facts now available indicate that this adjustment may increase our payroll expense by more than $3,000,000 annually.

On July 1, 1948, Organizations representing the Conductors and Trainmen filed demands for a 25c per hour increase in wages which resulted in an agreement to increase the wages by 10c per hour, effective October 16, 1948. On November 12, 1948, the Organizations representing Engineers, Firemen and Switchmen also accepted this 10c per hour wage increase, retroactive to October 16, 1948. This wage increase for the operating group of employes will increase our costs by approximately $687,000 annually.

During November 1948, the Organizations representing operating employes filed demands for 15 to 30 days' vacation with pay based upon length of service.

During March 1949 the Organizations representing the Conductors and Trainmen filed further demands for a 40-hour work week with 48 hours' pay, and time and one-half for Sunday and holiday work for yard service employes and, in addition, changes in rules and working conditions affecting all employes represented by them.

These latter two demands are now in the process of negotiation between the carriers and the Organizations representing the operating employes.

Payroll Taxes

An amendment of the Railroad Unemployment Insurance Act, changing tax rates on wages paid by railroads, effective January 1, 1948, provides for a graduated tax scale ranging from one-half per cent (½%) on wages not in excess of $300 per month, which are paid during a year when the balance in the Railroad Unemployment Insurance account on September 30 in the preceding year is $450,000,000 or more, to a maximum of three per cent (3%) during a year when the balance on September 30 in the preceding year is less than $250,000,000. The balance now in the fund is considerably more than the $450,000,000 limit, producing a current tax rate of one-half per cent (½%). This legislation reduced our Unemployment Insurance taxes by $738,083 for 1948, although there was an increase of $81,107 in our Railroad Retirement taxes as compared with the previous year. Notwithstanding this reduction in certain payroll taxes, our total taxes on wages during 1948 amounted to $1,971,578.

New Jersey and Federal Tax Claims

In June 1948 the claim of the State of New Jersey, alleged to be in excess of $31,000,000, for property taxes and interest for the years 1932 to 1940 was settled for $25,000,000. Of this amount $15,250,000 had been paid on account in 1946 and the balance of $9,571,406.50 was paid in 1948 after deducting a credit of $178,593.50 representing New Jersey franchise taxes against the earnings of the Central of Pennsylvania for the year 1946.

This settlement disposed of all tax controversies with the State of New Jersey except two appeals of franchise tax assessments which are still pending before the State courts. The first of these appeals involves approximately $400,000 of franchise taxes paid on account of the 1946 assessment and the issue is whether or not the Director of Taxation exceeded his statutory authority in refusing to allow certain deductions from income before computing the tax. On March 25, 1949, the Superior Court decided in favor of the State and an appeal will be taken to the Supreme Court. The second appeal, still pending before the Division of Tax Appeals, involves about $213,000 paid on account of the 1948 franchise tax assessment and the issue on that appeal is whether the earnings of the Central of Pennsylvania are subject to the New Jersey franchise tax.

Your companies have filed claims for refunds aggregating approximately $2,000,000 for overpayment of Federal income taxes for the years 1943 and 1944. The Bureau of Internal Revenue has not as yet either allowed or rejected these claims.

Real Estate Sales and Leases

Thirty-nine parcels of real estate comprising 151 acres of land were sold during the past year for a total consideration of $1,021,846. The largest single item was the sale on February 13, 1948, of the building and land at 143 Liberty Street, New York City, for a consideration of $850,000. Under the terms of this sale we leased from the new owners, 143 Estates, Inc., for a period of ten years, the space necessary for our New York offices.

In recognition of the fact that many of our station grounds are larger than is necessary for free access on the part of our passengers and since the taxes and maintenance costs for them constitute a continuing burden, your companies have adopted the policy of negotiating with municipalities for leases whereby the municipalities assume maintenance and policing of excess station grounds and pay rentals equal to the taxes on such properties. During 1948 we successfully consummated four such leases with municipalities, the results of which will be an aggregate saving of more than $7,500 in annual taxes as well as a saving in maintenance costs. Some municipalities definitely rejected such proposals and in these cases the properties were placed on the market for sale or lease. This resulted in the sale of four station properties for an aggregate consideration of $23,525 upon which the annual taxes were approximately $650. Five station properties were leased to industries for aggregate annual rentals which exceed annual taxes by about $850. Negotiations are being actively progressed for similar disposal of the remaining excess station properties.

Disposal of Properties to Effect Tax Savings

On December 29, 1948, the Central of New Jersey and a wholly-owned subsidiary conveyed to the City of Jersey City eight parcels of waterfront and other terminal land aggregating about 150 acres. These properties were not needed for railroad purposes and continued unsuccessful efforts to secure tenants or purchasers had made it plain that retaining them would result merely in a heavy tax bill for many years. The tax saving resulting from this conveyance of land to Jersey City will approximate $250,000 a year at present tax levels.

Elizabeth-Newark Meadow Properties

The Port of New York Authority is negotiating for the purchase of approximately 800 acres of property owned by the Central of New Jersey and subsidiaries in the Elizabeth-Newark meadows to enlarge the Newark (N. J.) Airport. The Port Authority is developing the Port Newark Tidewater Terminal and the adjacent airport which they leased from the City of Newark during 1948.

Bond Interest

During 1948 the District Court ordered payment of interest accrued on the Central of New Jersey's General Mortgage Bonds for 1939, 1940 and 1941 in the amount of $7,159,950, and also payment of $15,118.75 of uncollected interest which had become due on or prior to January 1, 1939.

On January 17, 1949, the District Court authorized the Trustee to pay interest for the years 1942 and 1943 in the amount of $4,773,300 on the outstanding General Mortgage Bonds of the Company. After this payment, interest for five years amounting to $11,933,350 remains unpaid.

Reorganization Proceedings

Prior to the enactment of the so-called Mahaffie Act which became effective on April 9, 1948, reorganization proceedings had been going forward under the provisions of Section 77 of the Federal Bankruptcy Act. Proposals for a plan of reorganization had been filed by various groups of security holders and by the Debtor. The Interstate Commerce Commission had held numerous hearings with respect to these proposals but such hearings had not been completed. On July 6, 1948, the Debtor filed a petition with the District Court for permission to try to reorganize under the Mahaffie Act. On July 14, 1948, the District Court entered an order granting such permission and the proceedings with respect to the Plan under Section 77 were thereby automatically suspended.

On September 21, 22 and 23, 1948, hearings on the Debtor's proposed Plan were held before an Interstate Commerce Commission Examiner. On November 29, 1948, the Examiner filed a Proposed Report recommending approval of a plan substantially similar to the one proposed by the Debtor. On January 5, 1949, the full Commission heard arguments on the Examiner's Proposed Report. Under the plan which was recommended by the Examiner the principal amount of the $48,731,000 General Mortgage Bonds outstanding in the hands of the public would be undisturbed but, effective January 1, 1949, the interest rate on all such bonds would be reduced to 3¼%. The aggregate annual interest charge thereby would be reduced from $2,386,650 to $1,583,758, a reduction of $802,892. Non-interest bearing interest certificates would be issued in a face amount equal to the $11,933,350 of interest remaining unpaid upon the General Mortgage Bonds. These interest certificates would have no maturity date and would be subject to redemption at their face amount at any time.

As compensation for reduction in the interest rate as provided in the plan, shares of common stock of the Company equal to the number of shares now outstanding would be issued to the holders of General Mortgage Bonds. To accomplish this, the number of shares (274,368) presently outstanding would be doubled and the par value of all shares would be reduced from $100 to $50 per share. The shares of common stock to be issued to the General Mortgage bondholders would be designated Class "A" and the presently outstanding shares would be designated Class "B." The shares of the two classes would rank equally in all respects except:

(a) holders of Class "A" stock would be entitled to elect four directors and holders of Class "B" stock would be entitled to elect five directors to serve during the period of six years following the date as of which the plan is consummated.

(b) if, following the expiration of the six year period, any interest certificates should remain outstanding at each election of directors thereafter until all interest certificates have been retired, holders of Class "A" stock would be entitled to elect five directors and holders of class "B" stock would be entitled to elect four directors.

Upon the expiration of the six year period or the retirement of all interest certificates, whichever should occur later, the two series of stock would be treated as a single class with cumulative voting rights.

The plan provides that available net income,

JERSEY CENTRAL LINES

Strategically located at the confluence of the North (Hudson) and East Rivers in the great New York Harbor area, the Central of New Jersey has one of the largest and most diversified terminals in the area. Its waterfront mileage, approximately 1¼ miles, is one of the greatest of any railroad on the New Jersey side of the Hudson River.

Central of New Jersey's points of interest in the harbor area are listed below and are identified by corresponding numbers on this aerial view photograph.

① General Offices at 143 Liberty Street, New York.

② Liberty Street (N.Y.) Ferry Terminal.

③ Freight Piers 10 and 11, New York.

④ Jersey Central Ferryboats.

⑤ Jersey City Passenger Terminal.

⑥ Freight-car Float Bridges.

⑦ Open Steamship Piers 6 and 7.

⑧ Lighterage Piers (Piers 11 and 14, covered; Piers 10, 12 and 13, open).

⑨ Pier 18 Coal Dumpers.

⑩ Marine Repair Yard.

⑪ Pier 18 Coal-Thawing Sheds.

⑫ Pier 18 Coal Classification and Storage Yards.

⑬ Freight Yards.

⑭ Freight Yards.

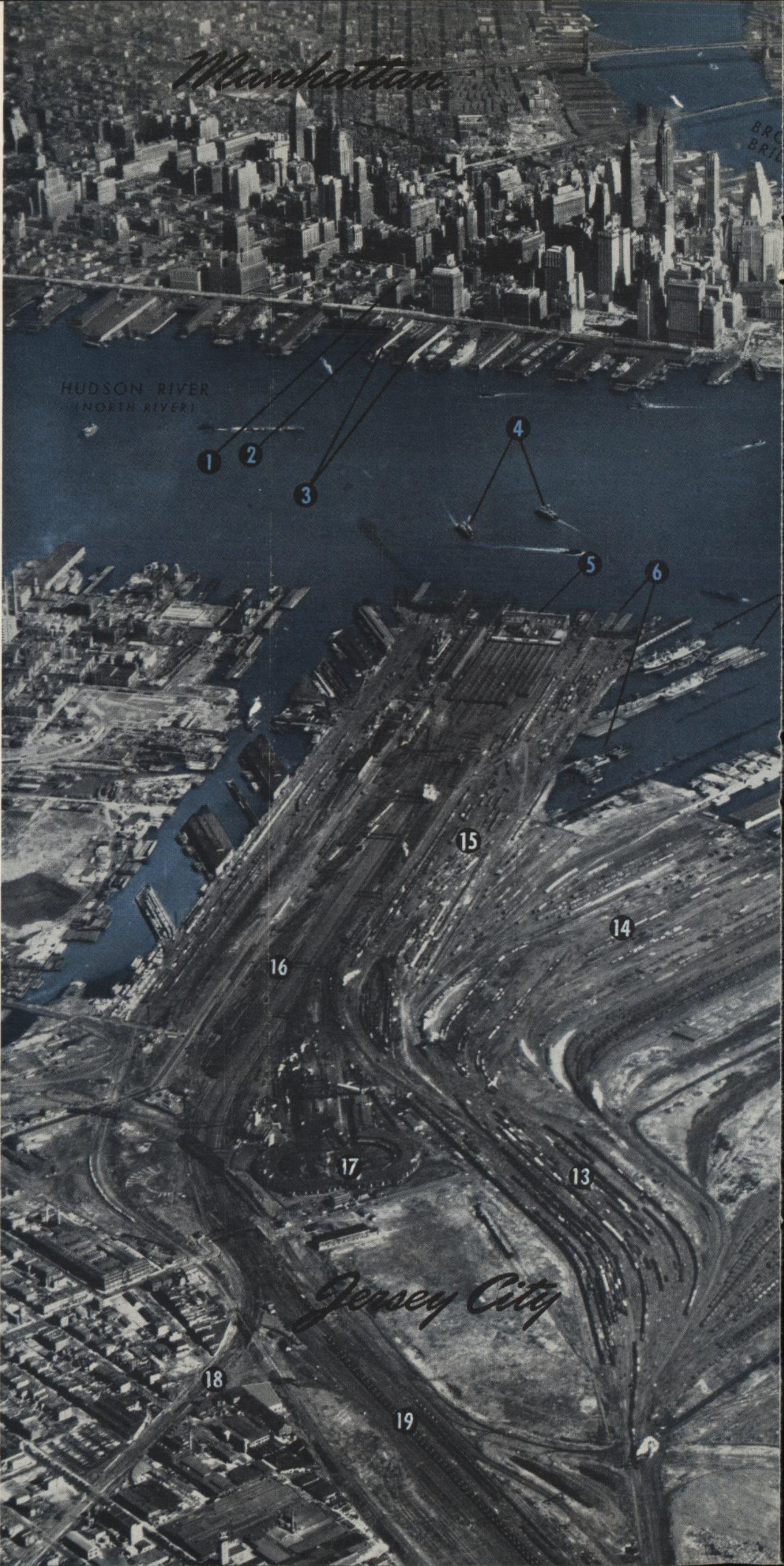
⑮ Freight Yards.

⑯ Passenger Yards.

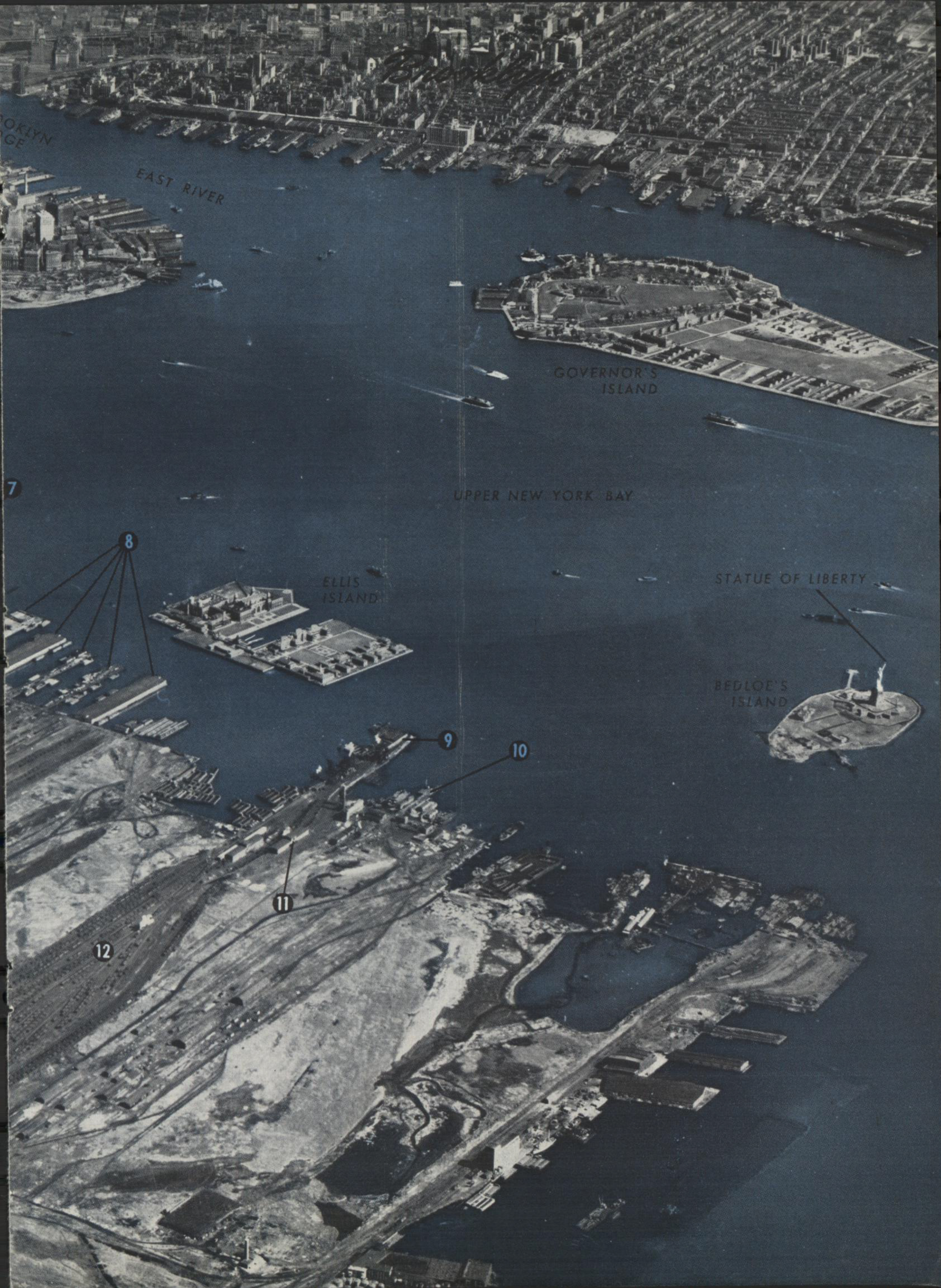
⑰ Communipaw Roundhouses.

⑱ Industrial Trackage (part of the former Newark-New York Branch).

⑲ Main-line Tracks.



FAIRCHILD AERIAL SURVEYS, INC.


Brooklyn
OKLYN
GE
EAST RIVER
GOVERNOR'S ISLAND
7
UPPER NEW YORK BAY
8
ELLIS ISLAND
STATUE OF LIBERTY
BEDLOE'S ISLAND
9
10
11
12

as defined therein, for each calendar year shall be applied as follows:

(1) Until all interest certificates have been retired 50% of available net income shall be applied to the retirement of interest certificates through purchases or by call for redemption. The remaining 50% of such available net income may be used for additions and betterments and to the extent not so used in any year may be accumulated in a capital fund in an amount not to exceed $2,500,000 but so long as such fund amounts to $2,500,000 any part of such 50% not required for current additions and betterments shall be used to retire interest certificates.

(2) After all interest certificates have been retired and until the amount of outstanding General Mortgage Bonds shall have been reduced by approximately one half, 50% of available net income shall be applied to the retirement of General Mortgage Bonds and the remainder shall be applied in the following order:

(i) for capital improvements,

(ii) to payments into the capital fund, if that fund be less than $2,500,000, to the extent sufficient to restore the amount thereof to $2,500,000 and

(iii) for any other corporate purpose.

(3) After the outstanding General Mortgage Bonds shall have been reduced by approximately one half, an amount of available net income equal to the lesser of 1% of the principal amount of General Mortgage Bonds then outstanding, or 25% of available net income shall be applied to the retirement of General Mortgage Bonds and the remainder may be applied for any other corporate purpose.

The capital fund which would be set up from available net income could be applied to the payment of fixed charges to the extent that fixed charges should exceed the income available therefor in any year and to provide for capital improvements to the extent that any other funds should not be available therefor.

The General Mortgage would be amended to provide a financing medium for the future and the lien thereof extended to cover all property and assets owned by the Company. The General Mortgage would contain a provision whereby the proceeds of sales of certain land might be used, to the extent of $2,500,000, for additions and betterments by the Company or any wholly owned transportation subsidiary, the expenditures for which are authorized or appropriated prior to December 31, 1949. Any remaining proceeds from such sales would be paid into the Capital Fund if the amount then to its credit did not equal $2,500,000 and any additional proceeds not so used would be deposited with the trustee under the General Mortgage and applied to the retirement of General Mortgage Bonds.

This plan has been approved by the Interstate Commerce Commission and it will be necessary to obtain assents of 75% of each class of security holder before August 2, 1949, for it to be put into effect.

Public and Employe Relations

Public showings of our sound-color motion picture, "The BIG Little Railroad," were started in March of 1948, and through March 31, 1949, a total of 67,575 persons had seen it.

Acclaimed by many groups as the best railroad film they had ever seen, the picture was shown before civic, business, industrial and school groups and similar organizations. Bookings for the film still are heavy.

The film, which was produced in the late stages of 1947, takes one on a 25-minute trip, the running time of the picture, over the properties of the Jersey Central Lines in New Jersey, Pennsylvania and New York. Many major operations are shown.

Bookings for the film, which is designed to better acquaint the public with the services performed by your railroads, can be made through the Director of Information's Office, Jersey Central Lines, The Terminal, Jersey City 2, N. J.

In 1948, a total of 952 suggestions were submitted by employes under terms of the Suggestion Plan of your companies. Of these, 112 were accepted and they received awards totaling $977. This brings to 3,161 the number of suggestions received since the start of the plan in September, 1945. Of this number, 312 suggestions were adopted and they received awards totaling $4,195.79.

Through the Suggestion Plan, whose committees consist of representatives of both labor and management, ideas and suggestions are received for improving services, safety and working conditions, for eliminating waste and for increasing revenues.

A series of semi-annual dinner-shows were inaugurated in 1948 for the honoring of men and women retiring from active service with your companies. The retired employes are given engraved certificates of appreciation and "Honorably Retired" lapel pins at the dinner-shows, which are arranged by the Jersey Central Lines Veteran Employee's Association.

The inaugural affair was held at an Elizabeth (N. J.) hotel on April 24, and total of 430 persons attended to pay honor to 53 retired employes. The second dinner-show, held on October 30 at the Elk's Club in Elizabeth, honored 91 retired men and women and there was an attendance of 922. Elk's Club officials told us it was the largest turnout for an affair of this kind held at their club.

The third semi-annual dinner-show was scheduled for April 30 at the Elk's Club, with 105 retired employes to be honored.

The year 1948 also saw more active participation then ever in organized employe recreational activities. Our annual boat-ride picnic to Rye Beach, N. Y., once again attracted close to 6,000 employes and members of their families. Bowling found about 550 men and girls competing in nine leagues in Elizabeth, N. J., New York City, and Allentown and Ashley, Pa. and in system-wide championship events, while softball competition attracted more than 200 men, representing ten teams.

We express our appreciation for the support and co-operation of all the employes whose combined efforts made possible the accomplishments of 1948.

EARL T. MOORE
Chief Executive Officer
The Central Railroad
Company of New Jersey

WALTER P. GARDNER
Trustee
The Central Railroad
Company of New Jersey

May 1, 1949

At each of our testimonial dinners for retired employes a show is directed and staged by employes and members of their families. Shown here is the cast for the October 1948 show which was entitled "Autumn Time."

The Central Railroad Company of New Jersey

General Balance Sheet

Assets

	December 31, 1948	December 31, 1947	Increase *or Decrease*
Investments:			
Road and Equipment Property	$144,168,320.41	$147,385,029.68	*$ 3,216,709.27*
Improvements on Leased Property	13,606,678.33	13,703,127.18	*96,448.85*
Donations and Grants	*2,978,392.79	*2,997,891.09	19,498.30
Investment in Transportation Property	$154,796,605.95	$158,090,265.77	*$ 3,293,659.82*
Accrued Depreciation—Road	*3,906,365.60	*4,236,673.42	330,307.82
Accrued Depreciation—Equipment	*31,784,818.04	*31,534,521.25	*250,296.79*
Accrued Amortization of Defense Projects—Road	*420,494.71	*418,792.63	*1,702.08*
Accrued Amortization of Defense Projects—Equipment	*6,723,567.35	*6,726,939.34	3,371.99
Investment in Transportation Property less recorded Depreciation and Amortization	$111,961,360.25	$115,173,339.13	*$ 3,211,978.88*
Capital and Other Reserve Funds	1,526,053.58	2,289,751.19	*763,697.61*
Maintenance Funds	410,000.00	480,000.00	*70,000.00*
Miscellaneous Physical Property	1,225,447.74	3,235,317.54	*2,009,869.80*
Investments in Affiliated Companies,			
Stocks	6,210,396.02	6,273,251.02	*62,855.00*
Bonds	1,877,000.00	1,892,000.00	*15,000.00*
Other Secured Obligations	40,000.00	40,000.00	
Unsecured Notes	750,000.00	789,000.00	*39,000.00*
Investment Advances	4,145,105.90	5,571,932.41	*1,426,826.51*
Other Investments,			
Stocks	1,603,046.78	1,603,046.78	
Bonds	2,817,486.69	9,633,202.32	*6,815,715.63*
Reserve for Adjustment of Investment in Securities	*1,728,934.00	*1,728,934.00	
Total Investments Less Recorded Depreciation and Amortization	$130,836,962.96	$145,251,906.39	*$ 14,414,943.43*
Current Assets:			
Cash	$ 2,875,447.64	$ 3,432,102.60	*$ 556,654.96*
Temporary Cash Investments	230,040.49		230,040.49
Special Deposits	465,896.38	249,065.39	216,830.99
Loans and Bills Receivable		118.11	*118.11*
Net Balance Receivable from Agents and Conductors	1,050,310.48	957,215.02	93,095.46
Miscellaneous Accounts Receivable	4,013,463.16	3,708,492.11	304,971.05
Material and Supplies	3,652,189.69	3,192,348.20	459,841.49
Interest and Dividends Receivable	54,824.37	78,823.50	*23,999.13*
Accrued Accounts Receivable	3,899,926.67	4,850,017.52	*950,090.85*
Other Current Assets	60,618.58	82,062.52	*21,443.94*
Total Current Assets	$ 16,302,717.46	$ 16,550,244.97	*$ 247,527.51*
Deferred Assets:			
Working Fund Advances	$ 110,355.81	$ 111,302.71	*$ 946.90*
Insurance and Other Funds	127,987.55	1,261,311.80	*1,133,324.25*
Other Deferred Assets	2,303,954.80	2,198,146.28	105,808.52
Total Deferred Assets	$ 2,542,298.16	$ 3,570,760.79	*$ 1,028,462.63*
Unadjusted Debits:			
Prepayments	$ 274,205.14	$ 263,861.12	$ 10,344.02
Discount on Funded Debt	11,521.13		11,521.13
Other Unadjusted Debits (see Note on page 27)	651,978.97	16,259,135.72	*15,607,156.75*
Total Unadjusted Debits	$ 937,705.24	$ 16,522,996.84	*$ 15,585,291.60*
Grand Total	$150,619,683.82	$181,895,908.99	*$ 31,276,225.17*

* Denotes credit.

General Balance Sheet

Liabilities

		December 31, 1948	December 31, 1947	Increase *or Decrease*
Stock:				
Capital Stock,				
Common—Authorized	$30,000,000.00			
Not Issued	2,563,200.00			
Outstanding		$ 27,436,800.00	$ 27,436,800.00	
Long Term Debt:				
Funded Debt Unmatured:				
Equipment Obligations with Public		$ 1,566,986.24	$ 192,585.44	$ 1,374,400.80
Mortgage Bonds in Co.'s Treasury	1,267,000.00			
Mortgage Bonds with Public		48,731,000.00	48,731,000.00	
Total Long Term Debt		$ 50,297,986.24	$ 48,923,585.44	$ 1,374,400.80
Current Liabilities:				
Traffic and Car Service Balances—Credit		$ 3,112,399.41	$ 2,722,596.98	$ 389,802.43
Audited Accounts and Wages Payable		2,397,726.17	2,574,521.24	*176,795.07*
Miscellaneous Accounts Payable		1,199,143.84	1,435,283.45	*236,139.61*
Interest Matured Unpaid		231,606.46	300.85	231,305.61
Dividends Matured Unpaid		49,324.50	49,324.50	
Unmatured Interest Accrued		8,206.25		8,206.25
Accrued Accounts Payable		784,147.78	549,435.68	234,712.10
Taxes Accrued		415,911.54	1,640,929.72	*1,225,018.18*
Other Current Liabilities		406,421.57	456,209.22	*49,787.65*
Total Current Liabilities		$ 8,604,887.52	$ 9,428,601.64	*$ 823,714.12*
Deferred Liabilities:				
Interest in Default		$ 16,706,835.00	$ 21,495,253.75	*$ 4,788,418.75*
Other Deferred Liabilities		127,742.10	174,373.29	*46,631,19*
Total Deferred Liabilities		$ 16,834,577.10	$ 21,669,627.04	*$ 4,835,049.94*
Unadjusted Credits:				
Insurance Reserves		$ 13,986.11	$ 1,146,485.36	*$ 1,132,499.25*
Maintenance Reserves		285,579.68	407,845.13	*122,265.45*
Other Unadjusted Credits (see Note)		558,841.71	16,086,233.99	*15,527,392.28*
Accrued Depreciation—Leased Property		670,562.43	601,003.77	69,558.66
Total Unadjusted Credits		$ 1,528,969.93	$ 18,241,568.25	*$ 16,712,598.32*
Surplus:				
Earned Surplus—Appropriated		$ 60,568,829.21	$ 61,213,541.63	*$ 644,712.42*
Earned Surplus—Unappropriated		†14,652,366.18	†5,017,815.01	*9,634,551.17*
Total Surplus		$ 45,916,463.03	$ 56,195,726.62	*$ 10,279,263.59*
Grand Total		$150,619,683.82	$181,895,908.99	*$ 31,276,225.17*

† Denotes debit.

Note: The accounts "Other Unadjusted Debits" and "Other Unadjusted Credits" include an item of $15,250,000 each representing a payment made by the Trustee in 1946 on account of tax claims of the State of New Jersey for the years 1932 to 1940, inclusive, with respect to which the Court reserved for future determination the apportionment as between principal and interest. The total claim asserted by the State as of December 31, 1947, aggregated approximately $31,906,000. By order entered April 19, 1948, the District Court allowed the State's claims for the aggregate sum of $24,821,406.50, disallowed any amount asserted to be in excess of that sum and authorized the Trustee to make final settlement of the claim by an additional cash payment of $9,571,406.50. This cash payment was made on June 2, 1948, shortly after expiration of the time within which an appeal might be taken from the District Court's order, and upon the making of such payment the two items of $15,250,000 each were eliminated from the Balance Sheet.

Income Account

	1948 Amount	% of Oper. Rev.	1947 Amount	% of Oper. Rev.
Average Mileage Operated	416.83		418.19	
RAILWAY OPERATING REVENUES:				
Freight	$ 33,342,003	78	$ 28,736,053	76
Passenger	6,486,319	15	5,947,841	16
Mail	272,236	1	208,353	1
Express	527,713	1	503,220	1
Water Transfer	311,841	1	333,943	1
Miscellaneous	1,777,954	4	1,818,042	5
Joint Facility	18,175		18,436	
Railway Operating Revenues	$ 42,736,241	100	$ 37,565,888	100
RAILWAY OPERATING EXPENSES:				
Maintenance of Ways & Str.	$ 6,992,725	16.36	$ 5,422,398	14.44
Maintenance of Equipment	7,110,612	16.64	6,572,856	17.50
Traffic Expenses	654,094	01.53	613,472	01.63
Transportation Expenses	21,075,184	49.31	19,572,891	52.10
Miscellaneous Operations	324,194	00.76	282,486	00.75
General Expenses	2,066,354	04.84	1,701,875	04.53
Railway Operating Expenses	$ 38,223,163	89.44	$ 34,165,978	90.95
Net Revenue from Railway Opers.	$ 4,513,078	10.56	$ 3,399,910	9.05
RAILWAY TAX ACCRUALS	$ 4,705,209		$ 4,846,928	
RAILWAY OPERATING INCOME	$ ‡192,131		$ ‡1,447,018	
Equipment Rents—Dr.	3,359,371		3,114,286	
Joint Facility Rents—Dr.	334,289		361,797	
Net Railway Operating Income	‡3,885,791		‡4,923,101	
Total Other Income	7,436,815		4,329,528	
Total Income	3,551,024		‡593,573	
Total Miscellaneous Deductions from Income	9,563,380		99,655	
Income Available for Fixed Charges	‡6,012,356		‡693,228	
Total Fixed Charges	2,476,219		2,455,286	
Net *Deficit*	‡8,488,575		‡3,148,514	

‡ Denotes Deficit.

Profit and Loss

Debit Balance December 31, 1947	$ 5,017,815.01	
Debit Balance transferred from Income	8,488,574.89	
Surplus Appropriated for Investment in Physical Property . .	12,465.07	
Miscellaneous Debits	1,921,138.71	
Total Debits		$15,439,993.68
Miscellaneous Credits		787,627.50
Debit Balance December 31, 1948		$14,652,366.18

Long Term Debt—Mortgage Bonds

Per Cent	Date of Issue	Date of Maturity	Total Amount Issued	Held by Company	Amount Actually Outstanding	Interest	
						Due	Charged to Income during the year
Coupon 5%	July 1, 1887	July 1, 1987	$17,631,000.00	$ 1,133.000.00	$16,498,000.00	Jan. and July	$ 825,200.00
Registered 5%	July 1, 1887	July 1, 1987	27,367,000.00	124,000.00	27,243,000.00	Jan., April July and Oct.	1,361,850.00
Coupon 4%	Jan. 1, 1928	July 1, 1987	4,649,000.00	10,000.00	4,639,000.00	Jan. and July	185,560.00
Registered 4%	Jan. 1, 1928	July 1, 1987	351,000.00		351,000.00	Jan., April July and Oct.	14,040.00
Total			$49,998,000.00	$ 1,267,000.00	$48,731,000.00		$ 2,386,650.00

Long Term Debt—Equipment Trust Obligation

2⅝%	Oct. 15, 1948	Oct. 15, 1963	$ 1,500,000.00		$ 1,500,000.00	Apr. and Oct.	

Long Term Debt—Conditional Purchase Contracts

1¾%	May 1, 1944	April 1, 1949	$ 62,800.00		$ 4,186.64	Monthly	$ 1,016.61
1¾%	June 1, 1944	May 1, 1949	125,600.00		10,466.60	Monthly	
1¾%	Sept. 1, 1944	Aug. 1, 1949	125,600.00		14,653.24	Monthly	
1¾%	Aug. 1, 1944	July 1, 1949	251,200.00		29,306.48	Monthly	1,163.13
1¾%	Sept. 1, 1944	Aug. 1, 1949	62,800.00		8,373.28	Monthly	
Total			$ 628,000.00		$ 66,986.24		$ 2,179.74
Grand Total Long Term Debt . .							

Central Railroad Company of Pennsylvania

General Balance Sheet

Assets

	December 31, 1948	December 31, 1947	Increase *or Decrease*
Investments:			
Road and Equipment Property	$ 15,545,759.96	$ 12,345,220.26	$ 3,200,539.70
Improvements on Leased Property	224,134.52	106,198.10	117,936.42
Donations and Grants	*850.00	*850.00	
Investment in Transportation Property	$ 15,769,044.48	$ 12,450,568.36	$ 3,318,476.12
Accrued Depreciation—Road	*40,667.88	*25,108.68	*15,559.20*
Accrued Depreciation—Equipment	*503,167.18	*189,763.84	*313,403.34*
Accrued Amortization of Defense Projects—Equipment	*3,272,529.03	*3,272,529.03	
Investment in Transportation Property less recorded Depreciation and Amortization	$ 11,952,680.39	$ 8,963,166.81	$ 2,989,513.58
Capital and Other Reserve Funds	14,357.60	14,357.60	
Maintenance Funds	50,000.00	100,000.00	*50,000.00*
Other Investments,			
Bonds	500,000.00		500,000.00
Total Investments less recorded Depreciation and Amortization	$ 12,517,037.99	$ 9,077,524.41	$ 3,439,513.58
Current Assets:			
Cash	$ 2,778,089.73	$ 3,281,194.20	*$ 503,104.47*
Temporary Cash Investments	2,150,379.93	2,900,225.45	*749,845.52*
Special Deposits	76,736.68	87,714.40	*10,977.72*
Traffic and Car Service Balances—Debit	1,265,870.40	1,151,371.58	114,498.82
Net Balance Receivable from Agents and Conductors	63,756.91	66,838.09	*3,081.18*
Miscellaneous Accounts Receivable	726,898.53	824,561.85	*97,663.32*
Material and Supplies	997,020.55	869,739.84	127,280.71
Interest and Dividends Receivable	15,817.71	14,224.80	1,592.91
Accrued Accounts Receivable	257,978.37	288,301.24	*30,322.87*
Other Current Assets	1,607.32	2,339.72	*732.40*
Total Current Assets	$ 8,334,156.13	$ 9,486,511.17	*$ 1,152,355.04*
Deferred Assets:			
Working Fund Advances	$ 818.93	$ 818.93	
Insurance and Other Funds	14,518.00	5,978.00	$ 8,540.00
Other Deferred Assets	12,382.84	645.81	11,737.03
Total Deferred Assets	$ 27,719.77	$ 7,442.74	$ 20,277.03
Unadjusted Debits:			
Prepayments	$ 65,926.04	$ 54,216.03	$ 11,710.01
Discount on Funded Debt	69,474.55	68,138.66	1,335.89
Other Unadjusted Debits	99,457.20	40,287.03	59,170.17
Total Unadjusted Debits	$ 234,857.79	$ 162,641.72	$ 72,216.07
Grand Total	$ 21,113,771.68	$ 18,734,120.04	$ 2,379,651.64

* Denotes credit.

Central Railroad Company of Pennsylvania

General Balance Sheet

Liabilities

		December 31, 1948	December 31, 1947	Increase *or Decrease*
Stock:				
Capital Stock,				
Common—Authorized	$2,300,000.00			
Not Issued	469,900.00			
Outstanding		$ 1,830,100.00	$ 1,830,100.00	
Long Term Debt:				
Funded Debt Unmatured:				
Equipment Obligations with Public		$ 9,584,125.00	$ 8,331,000.00	$ 1,253,125.00
Amounts Payable to Affiliated Companies			1,467,323.89	*1,467,323.89*
Total Long Term Debt		$ 9,584,125.00	$ 9,798,323.89	*$ 214,198.89*
Current Liabilities:				
Audited Accounts and Wages Payable		$ 822,592.01	$ 966,951.24	*$ 144,359.23*
Miscellaneous Accounts Payable		691,430.76	787,789.65	*96,358.89*
Interest Matured Unpaid		967.86	118.80	849.06
Unmatured Interest Accrued		49,950.77	45,401.11	4,549.66
Accrued Accounts Payable		3,123,039.89	4,158,935.74	*1,035,895.85*
Taxes Accrued		424,290.00	311,600.00	112,690.00
Other Current Liabilities		92,373.71	53,974.48	38,399.23
Total		$ 5,204,645.00	$ 6,324,771.02	*$ 1,120,126.02*
Deferred Liabilities:				
Other Deferred Liabilities		$ 620.81	$ 569.81	$ 51.00
Unadjusted Credits:				
Insurance Reserves		$ 14,518.00	$ 5,978.00	$ 8,540.00
Maintenance Reserves		42,841.51	49,755.77	*6,914.26*
Other Unadjusted Credits		25,085.92	47,895.68	*22,809.76*
Total Unadjusted Credits		$ 82,445.43	$ 103,629.45	*$ 21,184.02*
Surplus:				
Earned Surplus—Unappropriated		$ 4,411,835.44	$ 676,725.87	$ 3,735,109.57
Grand Total		$ 21,113,771.68	$ 18,734,120.04	$ 2,379,651.64

Central Railroad Company of Pennsylvania

Income Account

	1948 Amount	% of Oper. Rev.	1947 Amount	% of Oper. Rev.
Average Mileage Operated	212.67		213.27	
RAILWAY OPERATING REVENUES:				
Freight	$ 20,199,252	96	$ 17,558,494	96
Passenger	214,033	1	221,881	1
Mail	221,376	1	182,972	1
Express	181,010	1	153,398	1
Miscellaneous	93,217	1	94,946	1
Joint Facility	†1,775		†1,695	
Railway Operating Revenues	$ 20,907,113	100	$ 18,209,996	100
RAILWAY OPERATING EXPENSES:				
Maintenance of Ways & Str.	$ 1,859,145	08.89	$ 1,597,835	08.73
Maintenance of Equipment	3,709,918	17.75	3,453,448	18.96
Traffic Expenses	284,848	01.36	265,461	01.46
Transportation Expenses	6,510,707	31.14	5,922,803	32.52
Miscellaneous Operations	41,509	00.20	33,808	00.18
General Expenses	481,046	02.30	456,352	02.56
Railway Operating Expenses	$ 12,887,173	61.64	$ 11,729,707	64.41
Net Revenue from Railway Opers.	$ 8,019,940	38.36	$ 6,480,289	35.59
RAILWAY TAX ACCRUALS	$ 835,894		$ 816,156	
RAILWAY OPERATING INCOME	$ 7,184,046		$ 5,664,133	
Equipment Rents—Cr.	3,062,519		2,281,462	
Joint Facility Rents—Cr.	135,787		131,359	
Net Railway Operating Income	10,382,352		8,076,954	
Total Other Income	59,212		36,665	
Total Income	10,441,564		8,113,619	
Total Miscellaneous Deductions from Income	4,498		6,371	
Income Available for Fixed Charges	10,437,066		8,107,248	
Total Fixed Charges	4,871,903		5,695,032	
Net Income	5,565,163		2,412,216	

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† Denotes Debit.

Profit and Loss

Credit Balance December 31, 1947	$ 676,725.87	
Credit Balance transferred from Income	5,565,162.69	
Miscellaneous Credits	944.29	
Total Credits		$ 6,242,832.85
Dividend Appropriations of Surplus	$ 1,830,100.00	
Miscellaneous Debits	897.41	
Total Debits		$ 1,830,997.41
Credit Balance December 31, 1948		$ 4,411,835.44

Long Term Debt—Equipment Trust Obligations

Per Cent	Date of Issue	Date of Maturity	Total Amount Issued	Held by Company	Amount Actually Outstanding	Interest	
						Due	Charged to Income during the year
2¼%	June 15, 1944	June 15, 1959	$ 3,720,000.00		$ 2,728,000.00	June and Dec.	$ 63,922.00
2⅜%	June 15, 1947	June 15, 1962	1,605,000.00		1,498,000.00	June and Dec.	35,804.40
2⅜%	July 15, 1947	July 15, 1962	3,750,000.00		3,500,000.00	Jan. and July	57,872.51
2⅝%	Apr. 15, 1948	Apr. 15, 1963	1,395,000.00		1,395,000.00	Apr. and Oct.	15,293.57
Total			$10,470,000.00		$ 9,121,000.00		$ 172,892.48

Long Term Debt—Conditional Purchase Contract

2.20%	Jan. 30, 1948	Apr. 1, 1953	$ 534,375.00		$ 463,125.00	Monthly	$ 8,998.78
Grand Total Long Term Debt			$11,004,375.00		$ 9,584,125.00		$ 181,891.26

Wharton and Northern Railroad Company

General Balance Sheet

Assets

	December 31, 1948	December 31, 1947	Increase *or Decrease*
Investments:			
Road and Equipment Property	$ 1,531,850.60	$ 984,729.22	$ 547,121.38
Donations and Grants	*7,136.76	*7,136.76	
Investment in Transportation Property	$ 1,524,713.84	$ 977,592.46	$ 547,121.38
Accrued Depreciation—Road	*11,939.30	*11,549.30	*390.00*
Accrued Depreciation—Equipment	*88,511.79	*53,398.99	*35,112.80*
Investment in Transportation Property less recorded Depreciation	$ 1,424,262.75	$ 912,644.17	$ 511,618.58
Miscellaneous Physical Property	11,322.55	13,903.32	*2,580.77*
Other Investments,			
Stocks	51.02	51.02	
Bonds	475,000.00	620,641.57	*145,641.57*
Total Investments less recorded Depreciation and Amortization	$ 1,910,636.32	$ 1,547,240.08	$ 363,396.24
Current Assets:			
Cash	$ 197,166.06	$ 179,271.50	$ 17,894.56
Temporary Cash Investments	175,000.00	183,025.23	*8,025.23*
Traffic and Car Service Balances—Debit			
Miscellaneous Accounts Receivable	192,047.88	218,198.86	*26,150.98*
Interest and Dividends Receivable	5,299.58	5,276.32	23.26
Accrued Accounts Receivable	204.66		204.66
Total Current Assets	$ 569,718.18	$ 585,771.91	*$ 16,053.73*
Deferred Assets:			
Working Fund Advances	$ 100.00	$ 100.00	$
Other Deferred Assets	308,136.04	308,146.59	*10.55*
Total Deferred Assets	$ 308,236.04	$ 308,246.59	*$ 10.55*
Unadjusted Debits:			
Prepayments	$ 434.61	$ 913.49	*$ 478.88*
Other Unadjusted Debits	11,727.76	455.61	11,272.15
Total Unadjusted Debits	$ 12,162.37	$ 1,369.10	$ 10,793.27
Grand Total	$ 2,800,752.91	$ 2,442,627.68	$ 358,125.23

* Denotes credit.

Wharton and Northern Railroad Company

General Balance Sheet

Liabilities

		December 31, 1948	December 31, 1947	Increase *or Decrease*
Stock:				
Capital Stock,				
Common—Authorized	$500,000.00			
Not Issued				
Outstanding		$ 500,000.00	$ 500,000.00	
Long Term Debt:				
Funded Debt Unmatured:				
Equipment Obligations with Public		$ 703,500.00	$ 379,500.00	$ 324,000.00
Current Liabilities:				
Traffic and Car Service Balances—Credit		$ 4,572.43	$ 31,225.74	*$ 26,653.31*
Audited Accounts and Wages Payable		8,350.68	28,755.95	*20,405.27*
Miscellaneous Accounts Payable		1,629.95	2,161.37	*531.42*
Accrued Accounts Payable		613.83	1,409.31	*795.48*
Interest Matured Unpaid		1,232.35	518.65	713.70
Taxes Accrued		520.47	749.69	*229.22*
Other Current Liabilities			1,232.81	*1,232.81*
Total Current Liabilities		$ 16,919.71	$ 66,053.52	*$ 49,133.81*
Deferred Liabilities:				
Other Deferred Liabilities		$	$ 50.00	*$ 50.00*
Surplus:				
Earned Surplus—Appropriated		$ 550.41	$ 550.41	$
Earned Surplus—Unappropriated		1,579,782.79	1,496,473.75	83,309.04
Total Surplus		$ 1,580,333.20	$ 1,497,024.16	$ 83,309.04
Grand Total		$ 2,800,752.91	$ 2,442,627.68	$ 358,125.23

Wharton and Northern Railroad Company

Income Account

	1948	1947
Total Operating Revenues	$ 354,650.11	$ 274,121.75
Total Operating Expenses	$ 100,275.15	$ 88,549.38
Net Revenue from Railway Operations	$ 254,374.96	$ 185,572.37
Railway Tax Accruals		
New Jersey Property	$ 3,871.58	$ 5,507.07
New Jersey Franchise	15,784.50	6,608.48
Pay Rolls	4,063.76	4,572.91
Other	35.00	45.35
Total Taxes	$ 23,754.84	$ 16,733.81
Hire of Equipment—Cr.		
Locomotives	$ 3,006.21	$ 2,747.43
Work Equipments	1,475.64	1,475.64
Total	$ 4,481.85	$ 4,223.07
Hire of Equipment—Dr.		
Freight Cars	$ 10,498.66	$ 9,896.52
Locomotives	6,407.61	4,848.62
Total	$ 16,906.27	$ 14,745.14
Hire of Equipment—Net	$ †12,424.42	$ †10,522.07
Joint Facility Rents	†456.75	†470.89
Net Railway Operating Income	$ 217,738.95	$ 157,845.60

NON-OPERATING INCOME

	1948	1947
Income from Lease of Road and Equipment	$ 64,139.08	$ 33,877.73
Miscellaneous Rent Income		48.00
Miscellaneous Nonoper'g Phys. Property	90.00	90.00
Income from Funded Securities	11,837.77	13,110.00
Income from Unfunded Sec. and Accounts	2,646.27	507.98
Miscellaneous Income	36.50	
Total Income	$ 296,488.57	$ 205,479.31

MISCELLANEOUS DEDUCTIONS FROM INCOME

	1948	1947
Miscellaneous Rents	$ 70.00	$ 70.00
Miscellaneous Tax Accruals	105.83	105.06
Total	$ 175.83	$ 175.06
Available for Fixed Charges	$ 296,312.74	$ 205,304.25

FIXED CHARGES

	1948	1947
Interest on Funded Debt		
Interest on Cond'l Purchase Agreements	$ 9,157.81	$ 6,357.65
Total Fixed Charges	$ 9,157.81	$ 6,357.65
Net Income	$ 287,154.93	$ 198,946.60

† Denotes Debit.

Wharton and Northern Railroad Company

Profit and Loss

Credit Balance December 31, 1947	$1,496,473.75
Credit Balance transferred from Income	287,154.93
Miscellaneous Credits	1,037.14
Total Credits	$1,784,665.82
Dividend Appropriation of Surplus	$ 200,000.00
Miscellaneous Debits	4,883.03
Total Debits	$ 204,883.03
Credit Balance December 31, 1948	$1,579,782.79

Long Term Debt—Conditional Purchase Contracts

Per Cent	Date of Issue	Date of Maturity	Total Amount Issued	Held by Company	Amount Actually Outstanding	Interest	
						Due	Charged to Income during the year
1.64%	Dec. 1, 1946	Nov. 1, 1954	$144,020.00		$106,500.00	Monthly	$ 1,881.90
1.64%	Jan. 1, 1947	Dec. 1, 1954	144,020.00		108,000.00	Monthly	1,906.50
1.64%	Mar. 1, 1947	Feb. 1, 1955	144,020.00		111,000.00	Monthly	1,955.70
2.50%	July 1, 1948	June 1, 1956	409,279.00		378,000.00	Monthly	3,413.71
Total			$841,339.00		$703,500.00		$ 9,157.81

Mount Hope Mineral Railroad Company

General Balance Sheet

Assets

	December 31, 1948	December 31, 1947	Increase *or Decrease*
Investments:			
Road and Equipment Property	$ 134,072.23	$ 134,722.16	*$ 649.93*
Investment in Transportation Property	$ 134,072.23	$ 134,722.16	*$ 649.93*
Accrued Depreciation—Road	*3,375.11	*3,214.79	*160.32*
Investment in Transportation Property less recorded Depreciation	$ 130,697.12	$ 131,507.37	*$ 810.25*
Other Investments, Bonds	50,000.00	50,000.00	
Total Investment less recorded Depreciation	$ 180,697.12	$ 181,507.37	*$ 810.25*
Current Assets:			
Cash	$ 46,020.58	$ 64,294.88	*$ 18,274.30*
Temporary Cash Investment	30,009.56		30,009.56
Traffic and Car Service Balances—Debit	5,352.46	4,396.08	956.38
Net Balance Receivable from Agents and Conductors		218.75	*218,75*
Miscellaneous Accounts Receivable	389.00	389.00	
Interest and Dividends Receivable	753.64	468.74	284.90
Total Current Assets	$ 82,525.24	$ 69,767.45	$ 12,757.79
Deferred Assets:			
Other Deferred Assets			
Grand Total	$ 263,222.36	$ 251,274.82	$ 11,947.54

Liabilities

	December 31, 1948	December 31, 1947	Increase *or Decrease*
Stock:			
Capital Stock	$ 160,000.00	$ 160,000.00	$
Current Liabilities:			
Audited Accounts and Wages Payable	$ 1,468.04	$ 3,129.09	*$ 1,661.05*
Miscellaneous Accounts Payable		10.74	*10.74*
Taxes Accrued	15,169.82	10,236.00	4,933.82
Total Current Liabilities	$ 16,637.86	$ 13,375.83	$ 3,262.03
Surplus:			
Earned Surplus Unappropriated	$ 86,584.50	$ 77,898.99	$ 8,685.51
Grand Total	$ 263.222.36	$ 251,274.82	$ 11,947.54

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* Denotes credit.

Mount Hope Mineral Railroad Company

Income Account

	1948	1947
Total Operating Revenue	$ 63,806.67	$ 56,071.45
Total Operating Expenses	$ 15,351.65	$ 16,899.01
Net Revenue from Railway Operations	$ 48,455.02	$ 39,172.44
Railway Tax Accruals		
New Jersey Property	$ 1,166.84	$ 1,691.67
New Jersey Franchise	2,376.20	2,030.00
Federal Income	15,071.81	8,200.43
Pay Rolls	498.46	727.64
Other	30.00	10.00
Total Taxes	$ 19,143.31	$ 12,659.74
Hire of Equipment—Dr.		
Freight Cars	$ 4.50	$ 3.45
Locomotives	3,006.21	2,747.43
Total Hire of Equipment—Dr.	$ 3,010.71	$ 2,750.88
Net Railway Operating Income	$ 26,301.00	$ 23,761.82
NON-OPERATING INCOME		
Income from Funded Securities	$ 1,250.45	$ 1,250.00
Income from Unfunded Securities and Accounts	264.56	312.74
Miscellaneous Income	69.50	70.17
Total Income	$ 27,885.51	$ 25,394.73
FIXED CHARGES		
Interest on Unfunded Debt	$	$ 131.55
Total Fixed Charges	$	$ 131.55
Net Income	$ 27,885.51	$ 25,263.18
DISPOSITION OF NET INCOME		
Dividend Appropriation of Income	$ 9,600.00	
Balance of Income Transferred to Earned Surplus—Unappropriated	18,285.51	$ 25,263.18
PROFIT AND LOSS		
Credit Balance, Beginning of Year	$ 77,898.99	$ 62,235.77
Credit Balance transferred from Income	18,285.51	25,263.18
Miscellaneous Credits		.04
Total Credits	$ 96,184.50	$ 87,498.99
Dividend Appropriation of Surplus	$ 9,600.00	$ 9,600.00
Credit Balance End of Year	$ 86,584.50	$ 77,898.99

Jersey Central Lines

Salable Securities (*)

	Date of Maturity	Owned by Company	
		Par Value	Book Value
The Central Railroad Company of New Jersey			
U. S. Government Treasury Notes, 1⅛%, Series "A"	1949	10,000.00	10,000.00
U. S. Government Treasury Bonds, 2½%	1962-67	600,000.00	600,000.00
U. S. Government Treasury Bonds, 2¼%	1959-62	400,000.00	400,000.00
U. S. Government Treasury Bonds, 2%	1949-51	10,000.00	10,000.00
U. S. Government Treasury Bonds, 2¼%	1956-59	629,000.00	637,059.06
U. S. Government Treasury Bonds, 2½%	1967-72	643,000.00	644,171.88
U. S. Government Treasury Bonds, 2¼%	1959-62	35,000.00	35,471.88
U. S. Government Treasury Bonds, 2½%	1967-72	50,000.00	50,734.37
U. S. Government Savings Bonds, 2½%, Series "G"	1954	40,000.00	40,000.00
U. S. Government Savings Bonds, 2½%, Series "G"	1953	50,000.00	50,000.00
U. S. Government Savings Bonds, 2½%, Series "G"	1954	50,000.00	50,000.00
U. S. Government Savings Bonds, 2½%, Series "G"	1958	100,000.00	100,000.00
U. S. Government Savings Bonds, 2½%, Series "G"	1959	100,000.00	100,000.00
U. S. Government Savings Bonds, 2½%, Series "G"	1960	100,000.00	100,000.00
U. S. Government Certificate of Indebtedness, 1⅛%, Series "C"	1949	55,000.00	55,002.50
U. S. Government Certificate of Indebtedness, 1⅛%, Series "D"	1949	100,000.00	100,015.00
U. S. Government Certificate of Indebtedness, 1⅛%, Series "E"	1949	25,000.00	25,000.00
U. S. Government Certificate of Indebtedness, 1⅛%, Series "A"	1949	40,000.00	40,022.99
		$ 3,037,000.00	$ 3,047,477.68
Central Railroad Company of Pennsylvania			
U. S. Government Treasury Notes, 1⅜%, Series "A"	1950	$ 500,000.00	$ 500,000.00
U. S. Government Certificate of Indebtedness, 1⅛%, Series "A"	1949	700,000.00	700,379.93
U. S. Government Certificate of Indebtedness, 1⅛%, Series "F"	1949	450,000.00	450,000.00
U. S. Government Certificate of Indebtedness, 1¼% Series "G"	1949	1,000,000.00	1,000,000.00
		$ 2,650,000.00	$ 2,650,379.93
Wharton and Northern Railroad Company			
U. S. Government Savings Bonds, 2½%, Series "G"	1953	$ 50,000.00	$ 50,000.00
U. S. Government Savings Bonds, 2½%, Series "G"	1954	100,000.00	100,000.00
U. S. Government Savings Bonds, 2½%, Series "G"	1956	100,000.00	100,000.00
U. S. Government Savings Bonds, 2½%, Series "G"	1958	100,000.00	100,000.00
U. S. Government Treasury Notes, 1⅜%, Series "A"	1950	125,000.00	125,000.00
U. S. Government Certificate of Indebtedness, 1⅛%, Series "E"	1949	175,000.00	175,000.00
		$ 650,000.00	$ 650,000.00
Mount Hope Mineral Railroad Company			
U. S. Government Savings Bonds, 2½%, Series "G"	1955	$ 25,000.00	$ 25,000.00
U. S. Government Savings Bonds, 2½%, Series "G"	1956	25,000.00	25,000.00
U. S. Government Certificate of Indebtedness, 1⅛%, Series "C"	1949	30,000.00	30,009.56
		$ 80,000.00	$ 80,009.56
TOTAL—Salable Securities—(Dec. 31, 1948)	**JERSEY CENTRAL LINES**	$ 6,417,000.00	$ 6,427,867.17

(*) "Salable securities" are Government securities which are not deposited, pledged or otherwise committed.

Note: Payment of interest on General Mortgage Bonds for the years 1942 and 1943 reduces the "Salable Securities" to $4,385,000.00 as of May 1, 1949.

	Owned by Company	
	Par Value	Book Value
Central Railroad Company of New Jersey	$ 1,281,000.00	$ 1,281,000.00
Central Railroad Company of Pennsylvania	2,189,000.00	2,189,000.00
Wharton and Northern Railroad Company	800,000.00	799,559.00
Mount Hope Mineral Railroad Company	115,000.00	114,897.10
Total	$ 4,385,000.00	$ 4,384,456.10

Jersey Central Lines

Securities Deposited or Held for Specific Purposes

The Central Railroad Company of New Jersey

	Date of Maturity	Owned by Company	
		Par Value	Book Value
New York City Bonds, 3%	1980	$ 72,400.00-A	$ 73,931.00
New York City Bonds, 4½%	1957	3.000.00-A	3,000.00
New York City Bonds, 4%	1956	300.00-A	297.00
New York City Bonds, 4¼%	1964	10,700.00-B	10,987.50
U. S. Government Treasury Bonds, 2½%	1962-67	200,000.00-D	200,000.00
U. S. Government Treasury Bills, 1¾%	1949	1,250,000.00-G	1,246,901.25
U. S. Government Treasury Bonds, 2½%	1967-72	5,000.00-C	5,104.69
U. S. Government Treasury Bonds, 2½%	1967-72	10,000.00-E	10,331.25
U. S. Government Treasury Bonds, 2½%	1967-72	10,000.00-C	10,000.00
U. S. Government Savings Bonds, 2½%, Series "G"	1954	10,000.00-D	10,000.00
U. S. Government Savings Bonds, 2½%, Series "G"	1955	100,000.00-D	100,000.00
U. S. Government Savings Bonds, 2½%, Series "G"	1956	100,000.00-D	100,000.00
		$ 1,771,400.00	$ 1,770,552.69

Central Railroad Company of Pennsylvania

U. S. Government Certificate of Indebtedness, 1⅛%, Series "F"	1949	$ 50,000.00-F	$ 50,000.00
TOTAL—Deposited or held Securities—	**JERSEY CENTRAL LINES**	1,821,400.00	1,820,552.69

A	Deposited with the City of New York under agreements	$75,700.00
B	Deposited with the State of New York (State Industrial Commission)	10,000.00
B	Deposited with the City of New York under agreements	700.00
C	Deposited with the Federal Reserve Bank of New York under agreements with the U. S. Employes Compensation Commission	10,000.00
C	Deposited with the State of New York (State Industrial Commission)	5,000.00
D	Deposited with Company's Treasurer until disbursed in settlement of charges incurred for deferred maintenance	410,000.00
E	Deposited with State of Massachusetts (Dep't. of Industrial Accidents)	10,000.00
F	Deposited with Company's Treasurer until disbursed in settlement of charges incurred for deferred maintenance	50,000.00
G	Proceeds from sale of Equipment Trust Certificates invested in U. S. Government Bills, awaiting receipt of equipment, covered by agreement	1,250,000.00

Bonds—Affiliated Companies

The Central Railroad Company of New Jersey

	Date of Maturity	Total Amount of Issue as of December 31, 1948	Owned by Company	
			Par Value	Book Value
Allentown Terminal R. R. Co., 4-½% First Mortgage Gold Bonds	1954	$ 450,000.00	$ 205,000.00	$ 205,000.00
Dover and Rockaway R. R. Co., 6% First Mortgage Bonds	Demand *	35,000.00	35,000.00-M	35,000.00
New York and Long Branch R. R. Co., 4% Cons. Mtge. Gold Bonds, Series "B"	1981	2,752,000.00	1,376,000.00	1,376,000.00
New York and Long Branch R. R. Co., 5% Cons. Mtge. Gold Bonds, Series "A"	1979	538,000.00	269,000.00	269,000.00
Total		x x x	$ 1,885,000.00	$ 1,885,000.00

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* Past Due

Bonds—Nonaffiliated Companies

The Central Railroad Company of New Jersey

	Date of Maturity	Total Amount of Issue as of December 31, 1948	Owned by Company Par-Value	Owned by Company Book Value
New York City Bonds, 4%	1959		50.00	50.00

Notes and Mortgages

The Central Railroad Company of New Jersey

Edroyal Corporation, 1½%	On demand	$ 750,000.00	$ 750,000.00	$ 750,000.00
Penn Haven Realty Company, 4%	When Called	40,000.00	40,000.00	40,000.00
Total Notes and Mortgages			$ 790,000.00	$ 790,000.00

Stocks—Affiliated Companies

The Central Railroad Company of New Jersey

Allentown Terminal R. R. Co.	$ 450,000.00	$ 225,000.00-H	$ 225,000.00
American Dock and Improvement Co.	30,000.00	30,000.00-I	1,000.00
Bay Shore Connecting R. R. Co.	55,800.00	27,900.00	27,900.00
Central Railroad Co. of Pennsylvania	1,830,100.00	1,830,100.00-K	1,830,100.00
Communipaw Central Land Co.	2,000.00	2,000.00	2,000.00
Dover and Rockaway R. R. Co.	150,000.00	85,300.00-J	83,645.00
Elizabethport and New York Ferry Co.	1,455.00	1,455.00	1,455.00
Edroyal Corporation	750,000.00	750,000.00	750,000.00
Hunter Run Water Co.	5,000.00	5,000.00	3,196.02
Jersey Central Transportation Co.	20,000.00	20,000.00	20,000.00
Mount Hope Mineral R. R. Co.	160,000.00	109,300.00	**
New York and Long Branch R. R. Co.	4,000,000.00	2,000,000.00-L	2,000,000.00
Penn Haven Realty Co.	15,000.00	15,000.00	15,000.00
Railway Express Agency, Inc.		*	1,100.00
Wharton and Northern R. R. Co.	500,000.00	500,000.00	1,250,000.00x
	x x x x	$5,601,055.00	$6,210,396.02

Stocks—Other Investments

The Central Railroad Company of New Jersey

Lehigh and Hudson River Ry. Co.	$4,707,000.00	$ 787,000.00	$ 748,287.20
Mahoning Coal R. R. Co.		1,500.00	15,150.00
Raritan River R. R. Co.	1,000,000.00	495,300.00	839,609.58
	x x x x	$1,283,800.00	$1,603,046.78

Wharton and Northern Railroad Company

Newark Concrete Pipe Co.	*	51.02
TOTAL—Stocks— **JERSEY CENTRAL LINES**	$6,884,855.00	$7,813,493.82

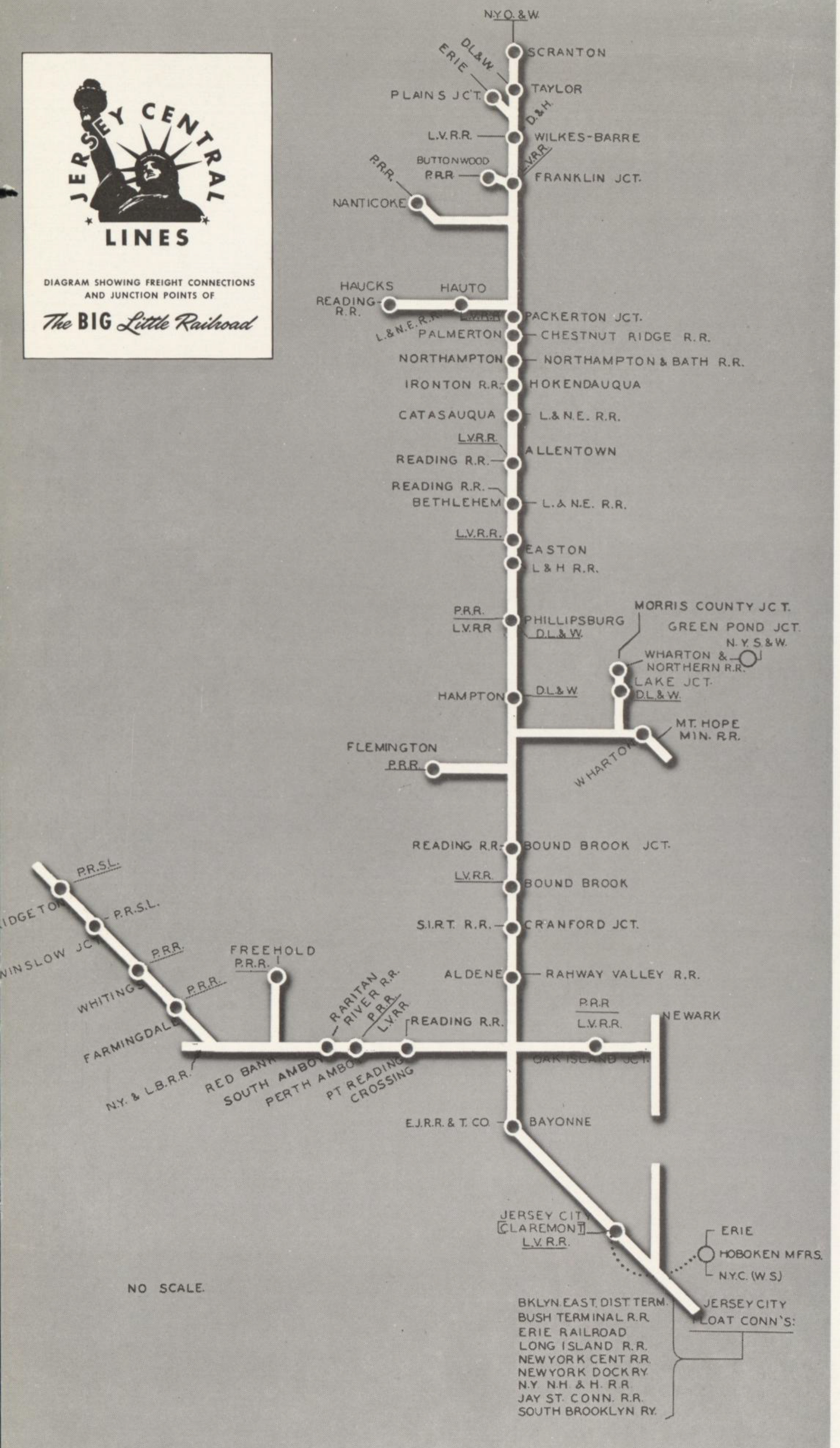
*	Without nominal or par value	
**	Included in amount shown as book value of Wharton and Northern R. R. Co.	
x	Includes book value of Mount Hope Mineral R. R. Co.	
H	Pledged under General Mortgage	$ 225,000.00
I	Pledged under General Mortgage	30,000.00
J	Pledged under General Mortgage	45,000.00
K	Pledged under General Mortgage	1,830,100.00
L	Pledged under General Mortgage	2,000,000.00
		$4,130,100.00
M	Deposited with Hudson Trust Co., Hoboken, N. J., Trustee under the Dover and Rockaway R.R. Mortgage	8,000.00

DESIGNED AND PRINTED BY
ISAAC GOLDMANN COMPANY, NEW YORK 19 N. Y.

JERSEY CENTRAL LINES

DIAGRAM SHOWING FREIGHT CONNECTIONS AND JUNCTION POINTS OF

The **BIG** *Little Railroad*


N.Y.O.&W.
SCRANTON
D.L.&W.
ERIE
TAYLOR
PLAINS JCT.
D.&H.
L.V.R.R.
WILKES-BARRE
L.V.R.R.
BUTTONWOOD
P.R.R.
FRANKLIN JCT.
P.R.R.
NANTICOKE
HAUCKS
HAUTO
READING-R.R.
L.V.R.R.
PACKERTON JCT.
L.&N.E.R.R.
PALMERTON
CHESTNUT RIDGE R.R.
NORTHAMPTON
NORTHAMPTON & BATH R.R.
IRONTON R.R.
HOKENDAUQUA
CATASAUQUA
L.& N.E. R.R.
L.V.R.R.
ALLENTOWN
READING R.R.
READING R.R.
BETHLEHEM
L.& N.E. R.R.
L.V.R.R.
EASTON
L & H R.R.
P.R.R.
L.V.R.R
PHILLIPSBURG
D.L.& W.
MORRIS COUNTY JCT.
GREEN POND JCT.
N.Y.S.& W.
WHARTON & NORTHERN R.R.
LAKE JCT.
D.L.& W.
HAMPTON
D.L.& W.
MT. HOPE MIN. R.R.
WHARTON
FLEMINGTON
P.R.R.
READING R.R.
BOUND BROOK JCT.
L.V.R.R.
BOUND BROOK
S.I.R.T. R.R.
CRANFORD JCT.
ALDENE
RAHWAY VALLEY R.R.
P.R.S.L.
P.R.S.L.
WINSLOW JCT.
P.R.R.
WHITINGS
P.R.R.
FARMINGDALE
N.Y. & L.B.R.R.
FREEHOLD
P.R.R.
RED BANK
RARITAN RIVER R.R.
SOUTH AMBOY
P.R.R.
L.V.R.R.
PERTH AMBOY
READING R.R.
PT READING CROSSING
P.R.R
L.V.R.R.
NEWARK
OAK ISLAND JCT.
E.J.R.R. & T. CO.
BAYONNE
JERSEY CITY
CLAREMONT
L.V.R.R.
ERIE
HOBOKEN MFRS.
N.Y.C. (W.S.)
JERSEY CITY
FLOAT CONN'S:
BKLYN. EAST. DIST TERM.
BUSH TERMINAL R.R.
ERIE RAILROAD
LONG ISLAND R.R.
NEW YORK CENT R.R.
NEW YORK DOCK RY.
N.Y. N.H. & H. R.R.
JAY ST. CONN. R.R.
SOUTH BROOKLYN RY.
NO SCALE.

Jersey Central Lines

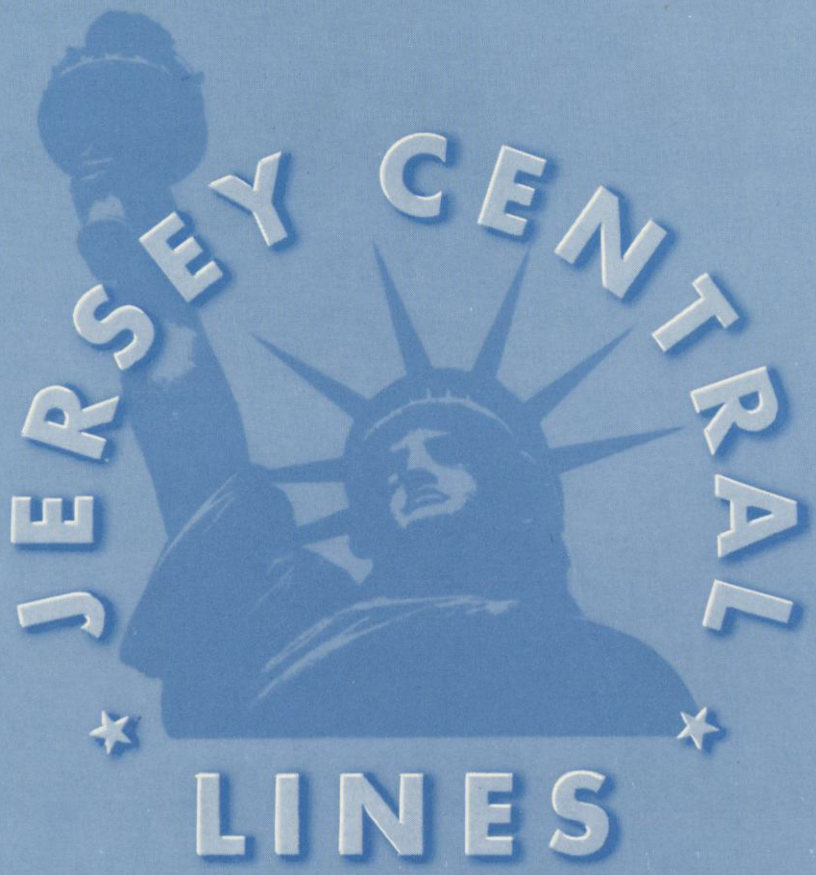
Freight Traffic Agencies

Traffic Agencies are maintained by Jersey Central Lines as listed below, to serve the public and provide information concerning rates, routes and service. The nearest representative will, if given the opportunity, render you helpful service.

ALBANY 7, NEW YORK	W. D. Wakeman, General Agent 11 The Plaza—Phone Albany 3-4547
ALLENTOWN, PENNSYLVANIA	J. H. Weiss, Division Freight Agent 804-806 Allentown National Bank Building Phone Allentown 6136
BOSTON 10, MASSACHUSETTS	C. H. McNab, General Agent 406-407 Chamber of Commerce Building Phone Liberty 5320
BUFFALO 3, NEW YORK	C. R. Everding, General Agent 532 Ellicott Square Phone Washington 1274
CHICAGO 3, ILLINOIS	C. H. Faupel, General Western Freight Agent 3324 Bankers Building, 105 West Adams Street Phone Randolph 1816
CLEVELAND 14, OHIO	F. F. Siegel, General Agent Room 407, Park Building Phone Cherry 0968
DETROIT 26, MICHIGAN	E. P. Seiwert, General Agent 622-623 Lafayette Building Phone Woodward 3-4396
LONG BRANCH, NEW JERSEY	H. E. Garrison, Division Freight Agent Phone Long Branch 486 Ext. 11
NEWARK 2, NEW JERSEY	E. T. Ginder, Division Freight Agent Broad Street Station Building Phone Market 2-5300
NEW YORK 6, NEW YORK	B. J. McSweeney, General Freight Agent 143 Liberty Street Phone BArclay 7-9700
PHILADELPHIA 2, PENNSYLVANIA	F. H. Hicks, Assistant General Freight Agent Room 1020, Girard Trust Co. Bldg. 1400 South Penn Square Phone Rittenhouse 7390
PITTSBURGH 22, PENNSYLVANIA	C. E. Armstrong, General Agent Room 801-802, Park Building Fifth Avenue and Smithfield Street Phone Atlantic 7404
ST. LOUIS 2, MISSOURI	F. H. Whiting, General Agent 1035-1036 Boatmen's Bank Building Phone Central 4760
NEW YORK 6, NEW YORK	Don Y. Smith *Chief Traffic Officer—Freight (CRR of NJ)* Thomas H. Irwin *Freight Traffic Manager (Service and Solicitation)* John F. Hourigan *Freight Traffic Manager (Rates)* James S. Watson *General Coal Freight Agent*

Did you know this about J. C. L. ?

The Jersey Central Lines has 65 connections with other railroads. To see map showing the major connections, and also a complete list of Freight Traffic Agents just lift this flap.



The **BIG** *Little Railroad*